

Internship Report

Health Insurance Policy of MetLife Alico in Bangladesh

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MetLife Alico, Bangladesh

Submitted by:

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Letter of Transmittal

December 20, 2012

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Subject: Submission of the Internship Report, Fall 2012

Dear Madam,

This is the report for my internship purpose which is required to complete my internship process. I have tried to work hard to make it done as per your instructions.

I have prepared the report to cover my topic “**Health Insurance Policy of MetLife Alico in Bangladesh**”. I tried to analysis the overall situation regarding this topic. The study is about the organizational background, vision of the company, job details, products and services, operational methods etc. This is obviously a helpful process of learning by gaining practical knowledge.

All information used in this report is collected through websites, members report and informal face to face Interviews. My level best trying has given here to carry out a meaningful and effective study on my topic to make my report efficient enough.

In this period, I have developed some good ideas regarding the insurance policy sector. The study will help me a lot to develop my career in my upcoming future. Thank you for giving me this opportunity. I shall be obliged if you kind enough to approve this effort.

Yours Sincerely

Kheyam Rahman Tushi ID: 09104154

BRAC Business School, BRAC University

Acknowledgement

My endeavor will come true if the actual purpose of this report becomes fulfilled. At the very first I would like to express my cordial and deep respect to my Internship supervisor, Ms. Sohana Wadud Ahmed, Lecturer of BRAC Business school of BRAC University for her proper guidance, valuable advice, instructions which helped me a lot to complete this report. I am very lucky for getting this opportunity to complete my internship report under her guidance and supervision.

I would also like to express my heartiest gratitude to Mr. A.K. Khan, Agency Manager of Tutul Agency of MetLife Alico in Bangladesh, for giving me the opportunity to complete my internship program in his agency. It was impossible to make this report without his help and co-operation. He always provided me the required materials and helped me to clarify the agency activities. This report gave me practical knowledge about the insurance policy activities.

Finally, I would like to thank all officials of Tutul Agency of MetLife Alico, for their co-operation, support and love. This is really a wonderful work experience with a wonderful working environment. I do not ever forget this organization.

Executive Summary

To transform the four years theoretical knowledge of Business Administration into a practical knowledge, the internship program is a must. These 12 weeks of our internship period help us a lot to realize the connection between our institutional knowledge and actual corporate scenario. Today, the people of Bangladesh are quite concerned about their present and future protection for various purposes. They are concerned about their health protection, educational protection and so on. Life Insurance companies are providing them those opportunities to make it real. MetLife Alico is such a Multinational Insurance Company which is playing a vital role in this sector in Bangladesh. Their all products and services are covering a broad demand of our people. Here, the three payment plan policy or 3 P. P. policy for Health Insurance is very much attractive. So, I have decided to work with this policy and its' field. During my project preparing time, I have learned how to deal with clients, how to make proper care of their money and how to maintain these all premium payment related activities in a branch office of MetLife Alico.

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THE ORGANIZATION

INTRODUCTION

MetLife, Inc. is the holding corporation for the **Metropolitan Life Insurance Company**, or **MetLife**, for short, and its affiliates. MetLife is among the largest global providers of insurance, annuities and employee benefit programs, with 90 million customers in over 60 countries. The firm was founded on March 24, 1868.

On January 6, 1915, MetLife completed the mutualization process, changing from a stock life insurance company owned by individuals to a mutual company operating without external shareholders and for the benefit of policyholders. The company went public in 2000. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia's Pacific region, Europe, and the Middle East. MetLife is the largest life insurer in the United States of America and serves 90 of the largest FORTUNE5000 companies. (FORTUNE5000 is a registered trademark of FORTUNE magazine, a division of Time, Inc). The company's principal offices are located at 1095 Avenue of the Americas in Midtown Manhattan, New York City, though it retains some executive offices and its boardroom in the MetLife Building, located at 200 Park Avenue, New York City, which it sold in 2005.

On November 1, 2010, MetLife, Inc. completed its purchase of American Life Insurance Company (ALICO). This deal brings together two well-established, international businesses with proven track records of growth. The combination creates a global life insurance and employee benefits powerhouse and will give our customers even more ways to protect their future. Together, they are offering:

- ❖ a broader portfolio of products serving more people in more areas
- ❖ innovative products and services, delivered with a proven record of local know-how
- ❖ the financial strength of the premier global life insurer

Though ALICO is now known as MetLife-ALICO, but still the offers, benefits, products and services will be remain same for the clients of ALICO.

HISTORY

As, MetLife and ALICO were two separate companies in past, so the history here is described in two separate parts for both the companies individually. Firstly, I will describe some previous scenario of MetLife, Inc and then history of ALICO will be described. Here, we will be known about MetLife-ALICO history also.

First of all, the overall story of MetLife can be described in three major timeline periods. The periods are called:

- ❖ Early Years
- ❖ Postwar
- ❖ Current Era

Here, the periods of MetLife are described elaborately:

- ❖ **Early Years:** The MetLife began in 1863 when a group of New York City businessmen raised \$100,000 to found the **National Union Life and Limb Insurance Company**. The company insured **Civil War sailors** and soldiers against disabilities due to wartime wounds, accidents, and sickness. On March 24, 1868, it became known as Metropolitan Life Insurance Company and shifted its focus to the life insurance business. A severe business depression that began in the early 1870s forced the company to contract, until it reached its lowest point in the late 1870s. After observing the insurance industry in Great Britain in 1879, MetLife President **Joseph F. Knapp** brought “industrial” or “workingmen’s” insurance programs to the United States – insurance issued in small amounts on which premiums were collected weekly or monthly at the policyholder’s home. By 1880, sales had exceeded a quarter million of such policies, resulting in nearly \$1 million in revenue from premiums. In 1909, MetLife had become the nation’s largest life insurer in the U.S., as measured by life insurance in force (the total value of life insurance policies issued).

In 1907, the **Metropolitan Life Insurance Company tower** was commissioned to serve as MetLife’s 23rd Street headquarters in Lower Manhattan. Completed two years later, the building was the world's tallest until 1913 and remained the company's headquarters until 2005. By 1930, MetLife insured every fifth man, woman, and child in the United States

and Canada. During the 1930s, it also began to diversify its portfolio by reducing the percentage of individual mortgages in favor of public utility bonds, investments in government securities, and loans for commercial real estate. The company financed the construction of the **Empire State Building** in 1929 as well as provided capital to build **Rockefeller Center** in 1931. During **World War II**, MetLife placed more than 51 percent of its total assets in war bonds, and was the largest single private contributor to the Allied cause.

- ❖ **Postwar:** During the postwar era, the company expanded its suburban presence, decentralized operations, and refocused its career agency system to serve all market segments. It also began to market group insurance products to employers and institutions. By 1979, operations were segmented into four primary businesses: **group insurance, personal insurance, pensions, and investments**. In 1981, MetLife purchased what became known as the MetLife building for \$400 million from a group that included Pan American World Airways.

- ❖ **Current Era:** In 1998, the board of directors authorized demutualization. Eighteen months later in April 2000, MetLife held an IPO, resulting in the issuance of 202,000,000 shares at the price of \$14.25 per share. At the time of the IPO, MetLife, Inc. had nine million shareholders and was the most widely held stock in North America. In 2001, MetLife was the first insurance company to establish a financial holding company with a nationally chartered bank through its purchase of Grand Bank, which was renamed MetLife Bank. The company also invested \$1 billion in the U.S. stock market during 2001, immediately after the September 11th terrorist attacks.

MetLife acquired Travelers Life & Annuity and substantially all of Citigroup's international insurance businesses for \$12 billion. At the time of the deal, which was completed on July 1, 2005, the Travelers acquisition made MetLife the largest individual life insurer in North America based on sales. Current MetLife chairman C. Robert (Rob) Henrikson was appointed chairman of the board of directors, president and chief executive officer of MetLife in 2006. In 2008, MetLife Bank, N.A., a division of MetLife Inc., purchased the residential mortgage business of Memphis-based First Horizon National Corporation. The purchase included the home loan unit of First Tennessee Bank National Association (outside Tennessee), with 230 offices in the US. The same year, MetLife also purchased the reverse mortgage division of Florida-based Everbank Financial Corp. Both transactions were completed in order to expand the company's stake in the US housing market. Later that year, MetLife split-off

substantially its entire 52% stake in Reinsurance Group of America, Inc. MetLife had received the majority stake in RGA as a result of its 2000 acquisition of GenAmerica. The split-off gave MetLife shareholders the option to exchange MetLife shares for shares of RGA.

In 2010, MetLife completed its purchase of American Life Insurance Company (Alico), from American International Group (AIG). The \$16.2 billion acquisition of Alico expanded the company's life insurance and employee benefits business into more than 60 countries compared to 17 countries before the acquisition. On March 21, 2011, MetLife announced that Steven Kandarian, who had headed MetLife's investment department, would succeed Robert Henrickson as President and CEO as of May 1, 2011.

On November 2, 2012, MetLife said it is selling its \$70 billion mortgage servicing business to JPMorgan Chase for an undisclosed amount as part of its strategy to focus on the insurance side of its business.

Fines: On August 7, 2012, it was announced that MetLife will pay \$3.2 million dollar in fines after the Federal Reserve charged it used unsafe and unsound practices in handling its mortgage servicing and foreclosure operations.

The story of Alico: The story began in 1921 in Shanghai, China. The company grew steadily in the early decades, moving its headquarters to Wilmington, Delaware in the late 1960s. In 1972 Alico became the first foreign life insurance company licensed to sell in Japan, the first step towards becoming a household name. It was well-placed to establish new operations in Central and Eastern Europe in the late 1980s when the political and economic environment in the region changed dramatically. Expansion in Latin America, the Middle East and a liberalized European Union followed, and that growth story continues today.

In March 2010 the latest chapter in the Alico Company's history unfolded when it was announced that the company would merge with MetLife. That merger completed November 2010 creating one global company, meeting the needs of some 90 million customers in over 60 countries.

Products and Services Offerings

The life insurance needs differ from person to person. So, the offers here are so much versatile. At MetLife Alico, any individual client can find a range of Life Insurance, Accident and Health Insurance as well as Education and Retirement plans to suit their personal or family needs.

There are three major criteria in their offer list. These are **“Life Insurance Policy”**, **“Savings and Retirements Plan”** and finally **“Accident and Health care Plan”**.

Every criteria here has divided again into several subdivisions according to the customers' needs and requirements. These are as following:

- 1. Life Insurance Policy:** Life insurance can take care of clients' family and help them to maintain their standard of living. Apart from taking care of outstanding loans or mortgages, it can also protect their children's education or provide for their partner's retirements.

Here, I am going to describe about Education Process Plan [EPP] Plus and Three Payment Plan [3PP] Plus offerings.

1.1 The Product Overview of EPP Plus:

- A flexible plan with terms ranging from 10 to 25 years
- On maturity, policy holder's child will receive the full face amount along with the bonus
- In the unfortunate even of client's death, protects the child's financial future by paying out a monthly sum of 1% of the face amount every month for his/her education till the maturity of the policy. The policy also provides for a waiver of all future premiums in order to keep the policy active and in-force.
- Customers can choose to add a disability protection rider to this plan which will protect them in the event of a disability due to sickness or accident
- Like in all other life policies, the paid premiums are income tax deductible (subject to prevailing tax laws & rules)
- This EPP Plus plan also provides a personal accident coverage that ensures the financial future of client's loved ones in case of his/ her death, disability or injury due to accident.

1.2 The Product Overview of 3PP Plus:

- This Plan is available for varying terms such as 12, 15, 18, 21 & 24 year and any clients can choose one that best suits their needs.
- 25% of the face amount is paid at the end of 1/3rd of the term and another 25% at the end of 2/3rd of the term. The policy holder can use this to finance his/ her goals.
- The remaining 50% of the face amount is paid along with a bonus at maturity
- In the unfortunate event of the death of the policy holder, at any time during the term of the policy, their nominees will receive the entire face amount along with the bonuses - NO DEDUCTION is made for the partial maturity amounts.
- Loans up to a maximum of 85% of cash value is available, if required
- Like in all other life policies, the paid premiums are income tax deductible (subject to prevailing tax laws & rules)
- The 3PP Plus also provides Personal Accident Coverage in case of client's death, disability or injury due to accident.

2. Savings and Retirement Plan: Alico selection of savings and retirement products mean that one can take steps towards the lifestyle he/ she really wants today, as well as plan for the future that they really want tomorrow.

Here, I am going to introduce the Income Growth Plan Policy and DPS Super Policy:

2.1 The Product Overview of Income Growth Plan Policy:

- A unique plan that combines protection and savings
- Offers a maximum premium payment term of up to 30 years thereby giving the flexibility of choosing small payments to suit client's budgetary needs
- The plan is split into 2 phases. The first phase is for a period of 7 years and then the second phase starts (from the 8th year) and includes the rest of the term.
- During the first 7 years client's savings accumulate and grow and at the end of the 7th year a dividend is declared. This dividend could be up to 40% of the cash value of his/ her plan.

- In the second phase, the cash value and dividend are transferred to the Investment & Protection Account (IPA)
- From the 8th year onwards, the policy offers a range of flexible options such as changes to the amount of premium, insurance coverage, etc, subject to the policy terms and conditions.
- Maturity Benefits: On maturity, the policy owner can either withdraw the account (IPA) value; or convert it into a life time pension.
- Like in all other life policies, the paid premiums are income tax deductible (subject to prevailing tax laws & rules)
- Income Growth also provides Personal Accident Coverage in case of your death, disability or injury due to accident.

2.2 The Product Overview of DPS Super Policy:

Clients can select their plan from the following 3 options:

Plan	Features
DPS Super – Gold	Maturity Value + Life Coverage + Accident Coverage + Critical Illness & Waiver of Premium Benefits
DPS Super – Silver	Maturity Value + Life Coverage + Accident Coverage
DPS Super – Bronze	Maturity Value + Accident Coverage

2.2.1: DPS Super – Gold Plan

This Plan provides an opportunity for –

- Attractive Maturity Value to meet the client's financial planning needs.
- Life Insurance coverage equivalent to policy Face Amount (Face Amount is defined as the DPS Super annual premium times the policy term)
- Double Benefit due to Accidental Death (AD) and Accidental Permanent & Total Disability (PTD); consequently a total coverage of 3 times the Face Amount in case of AD. In case of Accidental Dismemberment the additional Accidental Benefit may reach up to 2 times the Face Amount depending on the type and extent of Loss
- Lump Sum payment equal to 100% or 50% of the Face Amount in case of diagnosis of 8 Critical Illnesses
- Waiver of Premium in case of Permanent Total Disability due to Accident or Sickness under Family Protection Rider – Disability

2.2.2: DPS Super – Silver Plan

This Plan provides an opportunity for –

- Attractive Maturity Value to meet policy holder's financial planning needs
- Life Insurance coverage equivalent to policy Face Amount (Face Amount is defined as the DPS Super annual premium times the policy term)
- Double Benefit due to Accidental Death (AD) and Accidental Permanent & Total Disability (PTD); consequently a total coverage of 3 times the Face Amount in case of AD. In case of Accidental Dismemberment the additional Accidental Benefit may reach up to 2 times the Face Amount depending on the type and extent of Loss

2.2.3: DPS Super – Bronze Plan

This Plan provides you an opportunity for –

- Attractive Maturity Value to meet client's financial planning needs
- Death Benefit equal to Account Value or Premiums paid for the Basic Policy whichever is higher
- Accidental benefit under which 2 times the Face Amount (Face Amount is defined as the DPS Super annual premium times the policy term) will be paid in the event of Accidental Death, or Accidental Permanent & Total Disability (PTD). In case of Accidental Dismemberment the additional Accidental Benefit may reach up to 2 times the Face Amount depending on the type and extent of Loss.

3. Accident and Health Care Plan: Our accident and health insurance products give the customers one less thing to worry about, should the unthinkable happen. There are various options they can choose from to get the ideal level of cover for them and their families.

There are six plans under this criterion. These are as following:

3.1: The product overview of Critical Care Plan:

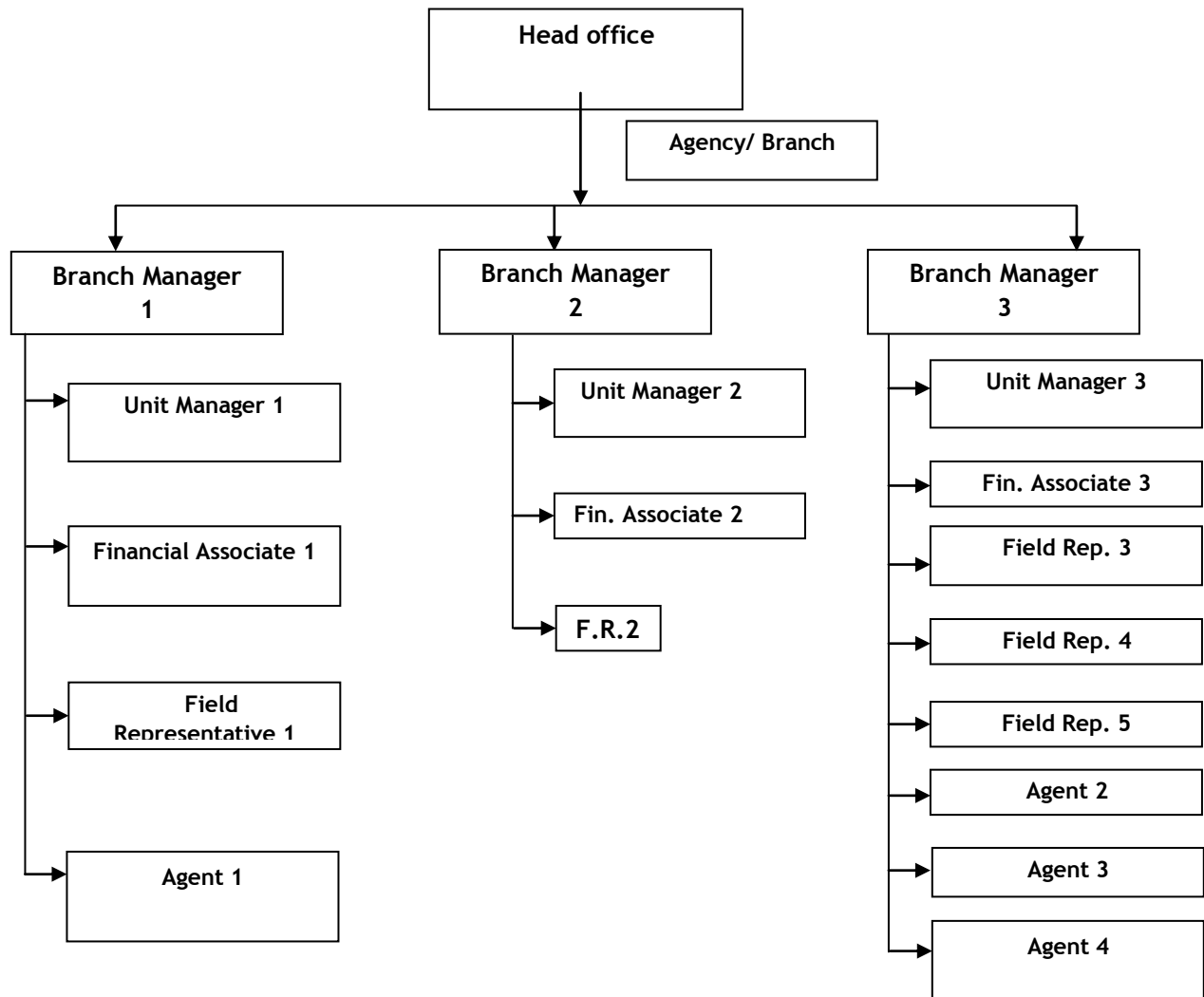
- Critical Care provides the lump sum payment of up to BDT 500,000 which is payable upon diagnosis and receipt of proof for one critical illness only.
- Critical Care supplements client's life insurance protection
- Alico offers several plans and clients can select the plan of their choices.
- The critical illness lump sum payment will be made only once if the client is diagnosed and proved with any of the 25 illnesses listed.
- There is no deductible amount.

3.2: The product Overview of Hospital Care Plan:

- The Hospital Care supplements client's life insurance protection
- These benefits are payable in addition to any other insurance plan that they may have.
- One can select the plan that best suits his/ her needs and the needs of your family from the range Alico offers.
- The Daily Cash income continues for up to 52 weeks from the very first day of hospitalization.
- The Cash Income is paid directly to the clients, to use any way they wish.
- The Cash income is payable regardless of expenses, even if the client is confined in a free hospital.
- There is no deductible amount or waiting period.

Thus we can conclude the product and service offerings of MetLife Alico Company in Bangladesh as well as in all over the world.

Operational Network Organogram



VISION for the Future

The gist of the vision of MetLife Alico is-

“To be the world’s first-choice provider of life and health insurance services. We will create unmatched value for our customers, colleagues, business partners and shareholders as we contribute to the growth of sustainable, prosperous communities.”

JOB DETAILS

Here, I am performing as an intern. I am associating one of the Financial Associates of Life Insurance programs of this company. My organization is a branch office of MetLife Alico. According to the organogram, I do report to my Branch manager of this office.

❖ **Description/ nature of the job:**

- Sale of Life Insurance Policy.

❖ **Specific responsibilities of the job:**

- Need creation for the policy among the possible clients.
- Power Point Presentation
- Input data into transmittal record.
- Policy sales & services.
- Calculation of policy rate.

❖ **Different aspects of job performance:**

- The consciousness about the importance of Life Insurance Policy is very low in our country comparing the developed countries.
- The literacy level is needed to be increased so that people can understand different policy terms like 3PP, Premium etc easily.
- The market is very much competitive. There are lots more local companies are available in this industry. For example: Popular Life Insurance Company, Delta Life Insurance Company etc. That is why; it is very tough to make people impressed about our products and services.
- Sometimes, error happens during the time of calculating premium rate. Because, the rate is very much sensitive with the policy holder's age.
- Errors also happen during the transmittal calculation.

- Due to the confidential matters of the organization, they do not provide all information to the interns as well.

❖ Critical Observations and recommendations:

- Though my performance is not too weak and I am not performing for a long time, that is why, according to my manager's opinion, I should discuss more field problems with my unit manager so that I will be able to understand the actual scenario of my project.
- It will be helpful for me if I can perform more consistently in my office which will make me expert on my job.
- I need to be more self motivated for doing well in my career in this field.

PROJECT

SUMMARY

MetLife Alico is playing a vital role in giving financial protection to the people of Bangladesh through their insurance policy system. By these policies, people have to pay a specific premium to this company in a specific rate which is called the premium rate. As a part of my graduation process, I had to work with the team of a branch of MetLife Alico and I have gathered a lot of experiences about this job field. In our country, people are more interested for buying any insurance policy for their health protection and education protection. In my internship period, I have got the chance to do work regarding the health insurance policy of MetLife Alico. This is one of the largest insurance companies in the world and they are following a very secured and organized way for their operation to provide the highest protection to their consumers. From my internship, I have learned how to convince people to understand about the necessity of health insurance, what the benefits of them are, how to create the balance sheet of the sold insurance policies and how to calculate the premium rate. Hopefully, these experiences will help me in the long run of my career.

Description of the Project

- ❖ **Objective of the project:** Here, I have divided my project objective into two parts. They are as following:

- **Broad Objectives:**

Firstly, I want to identify why people of Bangladesh are so much interested to purchase health insurance policy rather than other policies.

Secondly, I want to learn how to calculate all premium payments by the employers of life insurance companies which is very much convenient to policy holders as well.

- **Specific Objectives:**

Firstly, to enlighten my career experience by doing this internship.

Secondly, to recommend some strategies or ideas to attract more consumers in future for MetLife Alico in Bangladesh.

- ❖ **Methodology:** The report is the result of the knowledge and experience I have gained from my twelve weeks internship program of BRAC Business School under the organization called MetLife Alico in Bangladesh. Here, I am going to present all of my

qualitative and quantitative information from two sources called primary and secondary sources. For most of the information I had to follow my secondary sources.

➤ **Primary Sources:** this content bears face-to-face interviews, conversations and discussion with Branch Manager, Unit Manager, other employees and clients.

➤ **Secondary Sources:**

- Annual reports of MetLife Alico.
- Web- site of MetLife Alico.
- Club Members Report of respective organization.

Data Collection method:

For the organization part, information has been collected through different website regarding this company. At the same time information was also collected through informal discussions with Unit managers & respective Branch Manager of this MetLife Alico Branch. A face-to-face interview also arranged with few clients of this organization to collect the data.

❖ Limitations:

1. Though my managers and colleagues of the organization were so much helpful and cooperative but they were too much busy in their tasks that they could not arrange enough time for me for detail information.
2. Most of the information at this branch office was very confidential & critical as it is directly related with their clients' financial conditions. So, I am not permitted to collect and provide all types of information in my report.

Main Body of the Project Report

For arranging the findings in a easy way, I am providing my whole Project Report into three separated chapters. As I was working on the Health Insurance Policy of MetLife Alico in Bangladesh, that is why; I decided to concentrate on the following fields regarding this service.

Among all the services related with the Health Insurance Policy of MetLife Alico, the 3 Payment Plan or 3 P.P. is the most attractive services to the people of Bangladesh. That is why, my insight manager Mr. A. K. Tutul has suggested me to work on that specific policy.

Because of this reason, my chapters are going to cover the following findings of 3 P.P. policy of this organization in a detailed way on what I have worked through my whole Internship Program:

Chapter 01: The characteristics of 3 Payment Plan policy or 3 P. P. policy of MetLife Alico in Bangladesh.

Chapter 02: The benefits provided in the 3 P. P. policy of MetLife Alico in Bangladesh.

Chapter 03: The process of premium rate calculation.

Chapter 04: The requirements and Process of having a Health Insurance Policy in MetLife Alico.

Thus, I am going to represent my organization and at the end of this project report part the “**Analysis**” of my findings and the “**Results and Discussions**” regarding the findings will also be included.

Chapter 01: The characteristics of 3 Payment Plan policy

There are three specific characteristics by which MetLife Alico is successful today to make this policy attractive to their clients. The characteristics are describing here:

1. 3 Payment Plan policy can be hold for 12 years, 15 years, 18 years, 21 years or 24 years timeline period. Policy holder can purchase the policy for any of these maturity periods.
2. There are variable payment policies are included in 3 P. P. One can plan the policy from BDT 1, 00, 000 (One Lac) to BDT 1, 00, 00, 000 (Ten Million) for their payment according to his/ her income level.
3. Minimum 10 years age holders to maximum 60 years age holders, anyone can be the client of this 3 P. P. policy to take its whole coverage.

Thus, different people from different income level and age background can be the beneficiary of this 3 Payment Plan policy of MetLife Alico which is very much convenient to the people of developing countries like ours.

Chapter 02: The benefits provided in the 3 P. P. policy of MetLife Alico in Bangladesh.

According to company's rules and regulations, the benefits those are providing in this specific policy depend on the policy amount, policy maturity periods and so on.

Here, I am trying to focus on the benefits of 3. P. P. policy with the amount of BDT 5, 00, 000 for 18 years maturity period:

- i) If any client of this policy becomes hospitalized due to any accident, then he or she will get up to BDT 1, 47, 000 in every month for treatment purpose. If, the client gets his/ her treatment at home for any kind of accident, then that person will get up to BDT 1, 05, 000 in every month for that purpose.
- ii) There are 25 (twenty five) diseases in human body which are recognized as the most complicated and critical diseases according to MetLife Alico Health Insurance Policy. If, the policy holder gets affected by any one of them, then the company will help him with BDT 5, 00, 000 in advance at a time for starting the treatment. After that, because of that disease, if that person needs to be hospitalized, then he/ she will get BDT 63000 in first month for bearing the treatment expenses and after that if he/ she stays in hospital for the same reason, then company will give them BDT 42, 000 for the same purpose in every month up to one year.

The 25 diseases which are considered to be highlighted are as following:

- ❖ STROKE
- ❖ CANCER (Except Skin Cancer)
- ❖ FIRST HEART ATTACK
- ❖ CORONARY ARTERY SURGERY
- ❖ Other Serious CORONARY ARTERY Diseases
- ❖ HEART VALVE REPLACEMENT
- ❖ MAJOR BURNS
- ❖ BLINDNESS
- ❖ PULMONARY ARTERIAL HYPERTENSION (Primary)
- ❖ END-STAGE LUNG DISEASE
- ❖ KIDNEY FAILURE
- ❖ SURGERY to AORTA
- ❖ APLASTIC ANAEMIA
- ❖ MAJOR ORGAN TRANSPLANT
- ❖ LOSS of HEARING
- ❖ LOSS of SPEECH
- ❖ MUSCULAR DYSTROPHY
- ❖ ALZHEIMER'S DISEASE/ IRREVERSIBLE ORGANIC DEGENERATIVE BRAIN DISORDERS
- ❖ MOTOR NEURONE DISEASE
- ❖ PARKINSON'S DISEASE
- ❖ COMA
- ❖ BENIGN BRAIN TUMOUR
- ❖ MAJOR HEAD TRAUMA
- ❖ BACTERIAL MENINGITIS
- ❖ PARALYSIS

- iii) For any normal disease, if the client becomes the victim and get hospitalized, then he/ she will get BDT 42, 000 monthly up to 1 year.
- iv) This benefit is little bit different. When the policy will pass 6 years maturity, the policy holder will get 25% of original policy and that is BDT 1, 25, 000 at once. After that, when it will be matured of 12 years then the policy holder will get 25% of original policy again and that is BDT 1, 25, 000. It will happen at a time also. Finally, when the policy will fulfill 18 years maturity period, then the respective client will get 50% of his policy at a time and the amount is BDT 2, 50, 000. With this last amount, he/ she will receive the bonus amount also. For example: the Bonus rate of this running year is BDT 7000 in every BDT 1, 00, 000. So, for this policy of BDT 5, 00, 000 the company will pay that person BDT 35000 as bonus per year.
- v) In case, if the policy holder dies due to unusual accident, then his/ her nominee will be paid with BDT 20, 00, 000 and bonus amount at a time by MetLife Alico. On the other hand, if that person dies in a normal way without any accident, then the nominee will get BDT 5, 00, 000 and bonus amount at a time by this organization as well.
- vi) When the policy will pass 3 years maturity period, after that, the client will be able to take loan in any time from that policy. But, here the condition is,

he/ she can take the loan up to 70% of their savings amount. After that, client can repay his loan yearly, monthly, weekly and daily basis as well.

- vii) After 3 years periods of maturity, if the client is unable to continue the policy but he/ she is interested to run that, in that case without paying any premium that person will be able to continue that policy till its full maturity period. In that circumstance, policy holder needs to apply to the company by mentioning his/ her present financial problems and situations and has to show his/ her own interest to run that policy. If the reasons go under company's consideration, that time company will take the responsibilities to continue that policy on behalf of that client until its 18 years maturity period without receiving any premium payment. This facility is called **ETI** which stands for **Extern Term Insurance**.

The benefits under Extern Term Insurance are that, company will continue that policy without any premium payment till its maturity of 18 years period. In that case, if the client dies before the maturity of the policy, his/ her nominee will get compensation money due to this circumstance. Besides, if the client is alive till the maturity period, then he/ she will receive his/ her savings money back at that time with some profit amount.

Thus, we can conclude this chapter by showing these attractive benefits of this 3 P. P. policy of **MetLife Alico Health Insurance Policy**.

Chapter 03: The Process of Premium Rate calculation

The premium rate is the most important thing for the operation of any Insurance policy of MetLife Alico. As I have mentioned before, any person from 10 years old to 60 years old can be the purchaser of this policy that is why; the premium rate is determined by the age of the client. Company uses their Premium Rate Chart for the calculation of this fact. Here, the amount is determined in thousands according to the age of the client.

Here, the procedure of this calculation is described following. I have chosen a 3 P. P. policy for a Health Insurance of MetLife Alico which is purchased by a 35 years old client for 18 years maturity and the policy amount is for BDT 5, 00, 000. The steps are as following:

Basic Annual Premium Rate per TK 1000 for 3 P.P. = 68.00 tk [35 yrs age and 18 – Yr Plan]

(Multiply) the policy amount (in thousands) = 500 tk

(Plus) Policy Factor = 70 tk

So, the Basic Premium = 34070 tk

(+) Accident Injury (in thousands) TK 5 = (500*5) = 2500 tk

(+) Normal Injury (in thousands) TK 7.95 = $(500 \times 7.95) = 3975$ tk

(+) Hospital Care Benefit = 5445 tk

(+) Critical Illness Benefit = 3990 tk

So, the total amount of Premium = 49980 tk (yearly)

This premium can be given annually, semi- annually or quarterly by the respective policy holders. But in this case, if any client is interested in to paying semi- annually or quarterly, then that person will have to pay little bit more than the annual payment of premium.

The formula that is used for this semi- annually payment and quarterly payment is given here:

- Annual payment * .52 = Semi-annual payment.
- Annual payment * .27 = Quarterly payment.

In this given example, if the policy holder wants to pay his/ her premium at Semi-annually or Quarterly basis and the Annual Premium Payment is BDT 49, 980. Then the amount will be:

- $\text{BDT } 49,980 \times .52 = 25989$ tk (Semi-Annually)
- $\text{BDT } 49,980 \times .27 = 13,494$ tk (Quarterly)

This rate has been determined by the Board of Directors of MetLife Alico. Besides, this overall process is being followed in every branch of MetLife Alico. They are applying these formulas internationally in all over the world.

Chapter 04: The requirements and Process of having a Health Insurance Policy in MetLife Alico.

Every Organization has their own procedure to operate their business. MetLife Alico is not excluded from that. When, any possible client wants to make an agreement on Health Insurance Policy with MetLife Alico, there are some steps which are being followed by the organization to make that policy secured for both the organization and the policy holder.

The steps are describing here:

Step 01: First of all, clients need to fill-up a specific kind of application provided by MetLife Alico bearing some personal information of clients.

Step 02: With this form client needs to submit his/ her passport size photocopy, Secondary School Certificate (S.S.C.), photocopy of passport, photocopy of National Identity Card and photocopy of Driving License (if available) and the amount of premium to this company. These are mainly important for justifying the client's age.

Step 03: After verifying all information, company will underwrite that form.

Step 04: Once the company underwrites the form, then the policy owner will be offered a written agreement by the company where all rules and regulations will be included. On that agreement paper, client has to sign on a Government Insurance Tax Stamp and the registrar or the Chairman of the company will also sign on that Stamp and agreement on the behalf of MetLife Alico.

This is how MetLife Alico makes contract of Health Insurance Policy with their service consumers. In this agreement, all benefits are also being written and after that policy owners can pay their all premiums in the company's enlisted banks or in Customer Care Service Centre by cash or auto debit payment from their own account.

Analysis

After doing a 12 weeks internship in such a wonderful company, I have got the chances to know about the actual operational experience in the real life scenario. As, I have done my work in a project named “Health Insurance Policy of MetLife Alico in Bangladesh”, so I got to know the field in a close way.

In our country, due to lower literacy rate, people are not so much conscious about their future health protection. But, there are number of people who are really concerned about this savings. MetLife Alico is doing well in this sector to satisfy people with their wants and demands in a well mannered way. The process and procedures, the benefits, the proper and clear way of premium calculations, an organized payment process etc are already got the popularity among the targeted customers. As, the organogram has shown that, every single employee has to report or discuss about their performance or problems with their Agency Manager (also called Branch Manager), that is why; the curriculum of any Branch offices are very strict and organized which is very much essential for any multinational company to operate their all Agency offices.

On the other hand, all Agency offices have to make day to day report about their selling and premium collection record to the Country Head Office which also indicates a proper way to run such a large size Business.

So, in briefly, we can say that, MetLife Alico is going upward through the right track in the related competitive industry.

Results and Discussions

Though the market is so much competitive, but the performance of the team of MetLife Alico is really satisfactory. Their offerings, services, post purchase behavior with their valuable clients, regular notifications sent to the customers, organized way of making policies, available agencies or branches, available customer care services through the whole world etc are helping them to capture the maximum amount of customers in this field. On the other hand, as a multinational company, MetLife Alico has made a brand name in Life Insurance Policy industry. That is why, people feel more comfortable to save their money or to give their premium money to this company without less hesitation.

According to this company, the middle class, upper middle class and upper class people are the targeted customers. Because of that reason, they are providing several kinds of payment systems with versatile benefits which are also very attractive and well known among their consumers.

The beneficiary of any policy is not only the policy holders but their nominees also so that people feel more secured about the process and procedures. As a result, MetLife Alico is doing

a successful business in a proper way through more than 50 branches in our country by achieving the faith of their valuable clients and their families.

Conclusion

As a first multinational Insurance company in Bangladesh, MetLife Alico has completed more than 20 successful years in this country. Its efficient management team has made its proper progress in every step throughout these decades. All agencies are the core operational active places for their overall business. So, working in such agency is a remarkable experience. The working environment was very comfortable. The people were very friendly. Even the clients were very well behaved. So through the whole internship period I have got the opportunity to gather as much as experience I can. As I have selected Health Insurance Policy of this company in Bangladesh as my topic for internship, I have worked hard to get maximum information regarding this topic. Three payment plan (3 P.P.) for Health Insurance policy of this company is the most important and attractive policy. As this company deals with people's money so it's very important to take care of it properly. Agencies are the intermediaries between the people and the company. So, it is very important to work properly in these branch or agency offices to minimize or reduce the risk and faults regarding the sold policies.

Attachments and References:

- MetLife Alico Rate Pamphlet.
- Website: global.metlife.com
- Website: www.metlifealico.com.np
- Wikipedia: History of MetLife Alico