

Lack of travel insurance hits Bangladesh tourism hard

- A Monitor Desk Report

Date: 16 September, 2025



Dhaka : Bangladesh's inbound tourism industry is reeling under a silent crisis. While foreign tourists are eager to explore the country despite ongoing travel alerts, the absence of Public Liability Insurance (PLI) for inbound travelers has become a major roadblock - costing the industry both credibility and hard currency earnings.

According to leading inbound tour operators, no international insurance company currently offers coverage for trips to Bangladesh. At the same time, local insurers have failed to develop viable travel insurance products tailored for foreign tourists. As a result, professional destination management companies in key source markets, particularly in the UK and Europe, are refusing to work with Bangladeshi tour operators.

"Before Covid-19, up until 2019, UK insurers provided travel coverage that included Bangladesh. However, after the pandemic, they stopped.

Since then, we have been urging Bangladeshi insurers to step up and offer inbound travel insurance. Unfortunately, nothing has been done," said Taufiq Rahman, Chief Executive, Journey Plus, while talking to The Bangladesh Monitor.

Why PLI matters

Public Liability Insurance (PLI) protects tour operators against claims from tourists in case of accidents, injuries, or other incidents during a trip. It is a standard requirement in the global travel industry and is mandatory for many foreign operators before they agree to send clients to a destination.

Without it, Bangladeshi tour operators remain locked out of the international network of professional partnerships. "Destination management companies in the UK market are unwilling to take the risk. They simply do not want to send tourists to Bangladesh without PLI," another tour operator explained.

Failed attempts at solutions

Green Delta Insurance once considered importing a PLI product from Germany. However, the cost - BDT 10 lakh per year in premiums - proved far too high for local operators to absorb or pass on to tourists.

Later, Green Delta attempted to design an insurance scheme on a per-tour basis, similar to what Nepal offers. Under this model, each tourist would add around USD 80-90 to their trip budget, amounting to roughly BDT 1.25 lakh per group. Initially, this looked promising, but the scheme collapsed when Green Delta failed to include three critical clauses: aviation coverage, data protection, and sexual abuse liability.

"This made the product unacceptable in the international market. Without those clauses, no European or UK tour operator can legally work with us," said an inbound operator.

Meanwhile, state-owned Sadharan Bima Corporation has also not introduced any inbound travel insurance product, leaving the gap unaddressed.

Losses mounting

The absence of PLI is now directly translating into financial losses.

According to estimates from inbound tour operators, Bangladesh has already lost BDT 159 crore in 2025 compared to last year, as fewer foreign tourists visited the country.

Operators warn that unless the issue is addressed soon, Bangladesh will continue to lose market share to regional competitors such as Nepal, India, and Sri Lanka - all of whom have well-established inbound travel insurance frameworks.

"Europe is a growing market for South Asia. They want travel insurance as a precondition. If Bangladesh cannot provide it, we will continue to lose out. It is not just about numbers - having insurance also enriches the profiles of Bangladeshi tour operators, giving us international credibility," one industry insider stressed.

Policy paralysis

Industry players are also frustrated with the apparent inaction of the Bangladesh Tourism Board (BTB). Despite repeated appeals, BTB has not taken concrete steps to push local insurers or design a collaborative framework for inbound insurance.

"Tourism is a priority sector for Bangladesh. But without something as basic as travel insurance, how can we expect to grow? The government must step in immediately to make this available," operators urged.

Way forward

Experts argue that the government, insurers, and tour operators must work together to design an affordable, internationally compliant PLI product. A collaborative solution could involve:

- Subsidies or shared-risk pools to reduce the cost of premiums.
- Partnerships with global reinsurers to cover specialized risks.
- Clear regulatory guidelines from the Insurance Development and Regulatory Authority (IDRA).
- Active involvement of BTB to facilitate coordination between stakeholders.

Until such steps are taken, Bangladesh's tourism potential will remain stunted- not because tourists do not want to come, but because the

system fails to protect them.

As one operator concluded: "Tourists are willing. Operators are willing. However, without insurance, our hands are tied. Every year, the country is losing foreign exchange, jobs, and opportunities. This cannot go on."