



Bancassurance in the Context of the Insurance Separation Act **Practical Challenges and Future Stakes**

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Abstract

The banking insurance sector is undergoing major changes due to Law 06/04, which separates life and property insurance to improve transparency and regulation. This shift enhances protection of financial assets and risk mitigation for individuals and businesses. The industry is adopting technologies like data analytics and AI to offer customized solutions. As digital threats grow, coverage for cyber risks is gaining importance. Banking insurance promotes trust between clients and financial institutions through transparent services. It also contributes to financial stability and encourages investment. These developments reflect a forward-looking approach aligned with regulatory reforms. Overall, banking insurance is evolving to meet modern market needs effectively.

Keywords: Banking Insurance, Insurance Products, Insurance Contracts, Insurance Companies.

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.1. Introduction

The banking insurance industry is a vital sector in the economy, contributing to the provision of a wide range of financial services that meet the needs of both individuals and businesses. With the continuous developments in laws and regulations, the law separating life insurance from property insurance has emerged as a key factor affecting how this sector operates. This law aims to regulate the relationship between different types of insurance and enhance the legal protection of beneficiaries, opening new avenues for development and innovation in the industry.

As economic complexities and financial challenges increase, banking insurance has become a pressing necessity to help individuals and companies manage potential risks. Moreover, technological innovations, such as digital transformation and mobile applications, have enhanced banks' ability to provide insurance services more effectively and smoothly, including health insurance and property insurance, making it an attractive option for clients seeking comprehensive solutions. In light of reforms and legislative changes, including Law 06/04 on the separation of insurances, banks must adapt to these developments to achieve sustainability and growth. Therefore, banking insurance represents an innovative model that contributes to enhancing financial stability and boosting customer confidence in financial services.

Banking insurance in Algeria is an essential part of the financial system, combining banking and insurance services to provide comprehensive financial solutions that meet the needs of individuals and businesses. It includes a variety of products, such as loan insurance and deposit insurance, which enhance financial security and reduce the risks associated with financial transactions. With the economic changes and financial challenges facing Algeria, banking insurance has become an urgent necessity to support financial stability. Moreover, technological innovations have contributed to improving the services offered, making it easier for clients to access insurance options more effectively.

The changing legislative environment in Algeria requires financial institutions to adapt to new laws, which enhances the importance of banking insurance as a means to foster trust and stability in the financial market. Based on this, we can pose the following fundamental question that represents the core issue of our study:

What are the challenges that banks may face in providing insurance services after the implementation of this law?

1.2.Sub-questions:From this issue, the following sub-questions arise:

- ✓ What are the potential risks that banks may encounter in offering insurance services?
- ✓ What challenges does BADR Bank face in marketing insurance products, and how are these challenges addressed?
- ✓ How does BADR Bank contribute to raising awareness about the importance of insurance among its clients?

1.3.Hypotheses:In order to answer these sub-questions, we relied on the following hypotheses:



- ❖ Banks face risks in providing insurance services due to regulatory changes, market fluctuations, insufficient trained personnel in the insurance field, as well as challenges related to compliance with applicable regulations.
- ❖ BADR Bank faces challenges in marketing insurance products, including a lack of awareness among customers and a limited understanding of the products. However, the bank addresses these challenges through targeted awareness campaigns and training its employees to provide effective consultations.
- ❖ BADR Bank contributes to raising awareness about the importance of insurance among its clients by organizing awareness campaigns and workshops, and by providing educational content through its digital platforms, which helps enhance customers' understanding of the benefits of insurance and the necessity of sound financial planning.

1.4.Importance of the Study:

This study is significant for several reasons. It facilitates a deeper understanding of how the legal separation between life and property insurance, as mandated by Law 06/04, impacts the banking insurance sector, thereby contributing to the refinement of relevant policies and strategic approaches. Furthermore, the study offers practical recommendations to banks and insurance companies on how to develop innovative, customer-oriented strategies that comply with current legal frameworks. By examining the role of banking insurance in enhancing financial security for both individuals and businesses, the study raises awareness of its growing importance in today's financial landscape. Additionally, it identifies potential challenges facing the sector while highlighting opportunities that can be leveraged for sustainable growth..

1.5.Objectives of the Study: Through our study, we aim to:

- Identify future trends in banking insurance in light of legal and economic changes, including technological innovations and consumer behavior.
- Determine the challenges that banks may encounter in providing insurance products after the law is implemented and how to overcome them.
- Develop recommendations for banks and insurance companies to enhance their competitiveness and improve the quality of services provided to customers.
- Foster cooperation between the banking and insurance sectors to enhance integration and achieve common goals.

We divided our study into three main sections. The first section addressed the establishment of banking insurance and its legal framework. The second section focused on concluded agreements and banking production, while the third section was dedicated to a case study of BADR Bank in distributing insurance products.

1.6.Study Methodology

This study used an analytical and applied approach to examine bancassurance in Algeria under Law 06/04, focusing on the Agricultural and Rural Development Bank (BADR). It analyzed the legal framework, cooperation agreements, and insurance production data from 2021-2022. A case study of BADR's Baghout agency highlighted marketing and regulatory challenges. The research connected theoretical concepts with practical findings through descriptive, comparative, and applied methods.

2. Establishment of Banking Insurance and Its Legal Framework

The establishment of bancassurance represents a turning point in the development of financial services, providing integrated insurance solutions that meet the growing needs of customers. This sector is based on a robust legal framework that regulates the relationship between banks and insurance companies, ensuring the protection of customers' rights and the quality of services. This framework enhances investor confidence and contributes to the stability of the financial market, making bancassurance a fundamental pillar of the modern economy. By understanding this framework, it is possible to improve the services offered and strengthen the financial security of individuals and businesses.

2.1 The Emergence of Banking Insurance

Banking insurance first appeared in France and Spain, starting in France in 1970(Qabli&Nqamaari, 2012, P05) , where it experienced significant development. The term "bank insurance" was first used in France in 1980 to describe the sale of insurance products through a network of banking intermediaries (Beriche& Hamou, 2008,P 03) , with this type of insurance accounting for about 60% of the total revenue of insurance companies. In Spain, this figure reached 65%, while banking insurance continued to grow in several European countries such as Belgium, Italy, Germany, and England Qabli&Nqamaari, 2012, P12. Banking insurance is defined as the process of selling insurance products through the branches of banks and financial institutions, reflecting the integration between banks and insurance companies to produce a new product known as banking insurance(Salam & Musa, 2007, P76) .

2.2 Advantages of Banks Distributing Insurance Company Services

One of the main incentives for insurance companies to merge with banks includes(Qandoz, 2017, P131) :

- ❖ It helps insurance companies enter new markets by leveraging a broad purchasing base that includes bank customers, which allows for an increase in the number of signed contracts, under the framework of sectoral demand equivalence.
- ❖ Reducing marketing expenses incurred by insurance companies by utilizing the extensive network of bank branches compared to insurance agencies and brokers.
- ❖ Benefiting from banks' expertise in qualitative and effective risk assessment and the likelihood of occurrence through the information flow from advanced banking databases (information support).
- ❖ Enhancing the overall profitability of insurance companies due to the accumulation of profits from sales growth, reduced distribution burdens, and precise control over risk management and modern methodologies.
- ❖ Increasing market penetration without the need to establish a new network.
- ❖ Gaining additional capital from banks, which improves the company's operations.

2.3. Similarities and Differences Between Banks and Insurance

Companies Banks and insurance companies are vital components of the financial system, as they share the goal of managing risks and providing financial services to clients. Despite the similarities between them, each has a distinct nature of operation: banks focus on lending and



deposits, while insurance companies concentrate on protecting individuals against risks. Additionally, integration between the two sectors enhances service effectiveness, providing clients with comprehensive financial solutions.

2.3.1. Similarities

Some economists consider that there are similarities and overlaps between the activities of banks and insurance companies, which can be summarized as follows (Beriche& Hamou, 2008,P 12):

- ✓ Both banks and insurance companies aim to provide savings tools and investment-oriented services, offering a wide range of instruments and services designed to achieve financial returns and meet customer goals.
- ✓ Insurance companies have a dual role in underwriting and asset management, aiming for success in both areas, much like banks. This means they must be capable of attracting policyholders and meeting their needs, as well as managing assets wisely to achieve financial returns for both the company and the insured.
- ✓ Insurance companies collect premiums before paying out claims for damages and accidents, which may sometimes take years. During this period, companies invest these funds in various assets, similar to how banks utilize their clients' deposits.
- ✓ Like banks, insurance companies maintain capital reserves for various reasons, including meeting regulatory requirements. These funds are an important indicator of their financial strength and ability to expand operations. Additionally, they serve as guarantees to maintain the companies' value and avoid financial crises that could lead to bankruptcy.
- ✓ The ratio of shareholders' equity to liabilities or total assets is considered low in both insurance companies and banks.
- ✓ Banks are financial institutions that engage in money creation and provide banking services to customers. They can also act on behalf of insurance companies in performing certain functions.

3.2.2.2. Differences

The differences between the operations of banks and insurance companies can be illustrated in the following table.

Table 1. Differences Between Banks and Insurance Companies

Banks	Insurance Companies
➤ Banks collect deposits and then evaluate loans and credits, charging interest later.	❖ Insurance companies collect insurance premiums in advance and settle claims later. The accounting difference is significant; bank loans are considered assets, while insurance premiums are recognized as revenues.
➤ Deposits due at banks are transferred to current accounts or automatically renewed if there are instructions in this regard.	❖ An insurance policy expires at maturity and requires contact with the customer to renew the policy if they wish to do so.
➤ Banks provide financing to meet the needs of individuals and institutions to carry out various economic activities.	❖ While insurance companies facilitate credit by providing insurance for the debtor through a range of guarantees that ease the borrowing
➤ The central bank supervises banks,	

- imposing regulations on credit and banking activities by requiring a set of constraints and procedures aimed at ensuring the safety of depositors' funds.
- Banks are more concerned with the level of service provided to their customers, and the demand for banking services is greater and broader than for insurance services
- ❖ Insurance companies are overseen by an insurance regulatory authority, which is affiliated with the Ministry of Trade and Industry or the Ministry of Economy, depending on the country.
- ❖ Insurance companies focus on direct marketing methods, as they cannot sustain their activities without establishing direct links and communications with customers.

.Source:cna.2025

3. Concluded Agreements and Banking Production

Cooperation agreements in the field of bancassurance between banks and financial institutions, on the one hand, and insurance companies, on the other, did not commence until 2008, in accordance with the Separation Law. This development can be examined through a study of the various agreements that were subsequently established.

3.1 Studying the Unified Distribution Agreement for Insurance Products by Banks and Financial Institutions

The Unified Distribution Agreement for Insurance Products represents an important step in enhancing cooperation between banks, financial institutions, and insurance companies. This agreement aims to effectively regulate the mechanisms for distributing insurance products, thereby improving the customer experience and increasing awareness of the available options. By studying this agreement, one can better understand the legal and commercial dimensions that govern this collaboration.

3.1.1. Framework and Legislative References of the Agreement:

- Law No. 06-04 dated February 20, 2006, which amends and supplements Ordinance No. 95-07 dated January 25, 1995, related to insurance, published in the Official Gazette of the People's Democratic Republic of Algeria, No. 15, dated March 12, 2006.
- Executive Decree No. 07-153 dated May 22, 2007, which establishes the conditions and provisions for distributing insurance products by banks, financial institutions, and similar entities, as well as other distribution networks, published in the Official Gazette of the People's Democratic Republic of Algeria, No. 35, dated May 23, 2007.
- Order No. 60 dated August 6, 2007, concerning the regulation of insurance products that can be distributed by banks, financial institutions, and similar entities, as well as the maximum commission rates for distribution, published in the Official Gazette of the People's Democratic Republic of Algeria, No. 59, dated September 23, 2007.

3.1.2. Subject of the Agreement

The agreement for the distribution of insurance products by banks, financial institutions, and similar entities aims to define the various relationships between the insurer and the agent in the context of distributing insurance products and commissions. Under this agreement, the insurer authorizes the agent to enter into insurance contracts on their behalf and in their name.

3.1.2.1. Contents of the Agreement: The agreement must specify the following(cna.2025):



- ❖ The agencies or all sales points affiliated with the bank or financial institution authorized to enter into insurance contracts.
- ❖ The insurance products covered by the agreement.
- ❖ The distribution commission and the terms of the agent's remuneration.
- ❖ The information to be sent to the appointed insurance company.
- ❖ The subscription powers.
- ❖ The geographical area within which the agency or any sales point is permitted to operate.
- ❖ The practical arrangements for implementing the required training course for insurance agents, consisting of at least 96 effective hours related to insurance operations, which will be distributed and certified.
- ❖ The jurisdiction of the competent court for disputes.
- ❖ The powers related to premium collection, the deadline for transferring premiums to the insurance company, and the management and settlement of claims.

3.1.2.2. Agreements between banks and insurance companies: The following table shows all the agreements made between insurance companies and banks, along with the dates and the products offered by the banks (can, 2025).

Table 2. Agreements Signed Between Insurance Companies and Banks

<i>Bank</i>	<i>Insurance Company</i>	<i>Date of the Agreement</i>	<i>Insurance Products</i>
National Bank of Algeria (BNA)	Algerian Company for Insurance and Reinsurance (CAAR)	04/10/2010	❖ Travel Insurance and Assistance Abroad; ❖ Temporary Life Insurance; ❖ Natural Disaster Insurance; ❖ Comprehensive Home Insurance.
Bank of Agriculture and Rural Development (BADR)	National Insurance Company (SAA)	20/04/2008	❖ Travel and Assistance Abroad; ❖ Personal Accident Insurance; ❖ Credit Repayment Insurance Contract; ❖ Natural Disaster Insurance; ❖ Comprehensive Home Insurance; ❖ Agricultural Insurance
National Savings and Retirement Fund (CNEP)	"Cardif Algeria" "Cardif Company"	25/03/2008	❖ Travel and Assistance Abroad; ❖ Personal Accident Insurance; ❖ Credit Repayment Insurance Contract; ❖ Natural Disaster Insurance; ❖ Comprehensive Home Insurance; ❖ Agricultural Insurance.
BNP Paribas Algeria	AXA Insurance Algeria	March 2008	❖ Comprehensive Protection; ❖ Home Insurance; ❖ Professional Insurance

Algerian Popular Credit (CPA)	Algerian Company for Insurance and Reinsurance (CAAR)	May 2008	❖ Temporary Life Insurance; ❖ Borrowers Insurance for Individuals and Professionals; ❖ Comprehensive Home Insurance; ❖ Natural Disaster Insurance
Algerian External Bank (BEA)	"Algerian Company for Insurance and Reinsurance (CAAR) and Algerian Company for Comprehensive Insurance (CAAT)"	11/05/2008	❖ Temporary Life Insurance; ❖ Individual and Accident Insurance; ❖ Travel Insurance; ❖ Natural Disaster Insurance.
Al Baraka Bank	Al Salama Insurance	04/10/2011	❖ Comprehensive Home Insurance; ❖ Natural Disaster Insurance.
Local Development Bank (BDL)	National Insurance Company (SAA)	19/04/2008	❖ Retirement and Death Insurance; ❖ Travel Insurance; ❖ Comprehensive Home Insurance; ❖ Natural Disaster Insurance.

Source: Habbar, 2018, p 360 / Bahia, 2021, pp 9–11

It is worth noting that the majority of insurance companies operating in the Algerian market have entered into formal agreements with banks, allowing them to distribute their insurance products in exchange for commission-based compensation. This partnership model has become common practice, reflecting the growing integration between the banking and insurance sectors.

Table 3. Commissions Due for Distributing Insurance Services by Algerian Banks or Financial Institutions

<i>Insurance Branch</i>	<i>Commission Due for Distributing Service (Bank or Financial Institution)</i>
<i>Life Insurance - Capitalization Branch</i>	"40% of the first premium for the capitalization branch, and 10% of the subsequent annual premiums."
<i>Personal Insurance</i>	Commission of 15% for personal insurance
<i>Loan Insurance</i>	"Commission of 10% for loan insurance
<i>Home Risk Insurance</i>	Home Risk Insurance with a commission of 32%
<i>Mandatory Insurance for Natural Disaster Risks</i>	Commission of 5%
<i>Agricultural Insurance</i>	Commission of 10%

Source: Executive Decree No. 07-153, 2007

The above table specifies the various insurance products that can be distributed through the banking network and shows the different percentages representing the commissions set by the legislator as compensation for banks for selling insurance services. It is noted that the commission rates for the capitalization insurance branch and the home risk insurance branch are relatively high compared to other insurance branches. This encourages banks to make significant

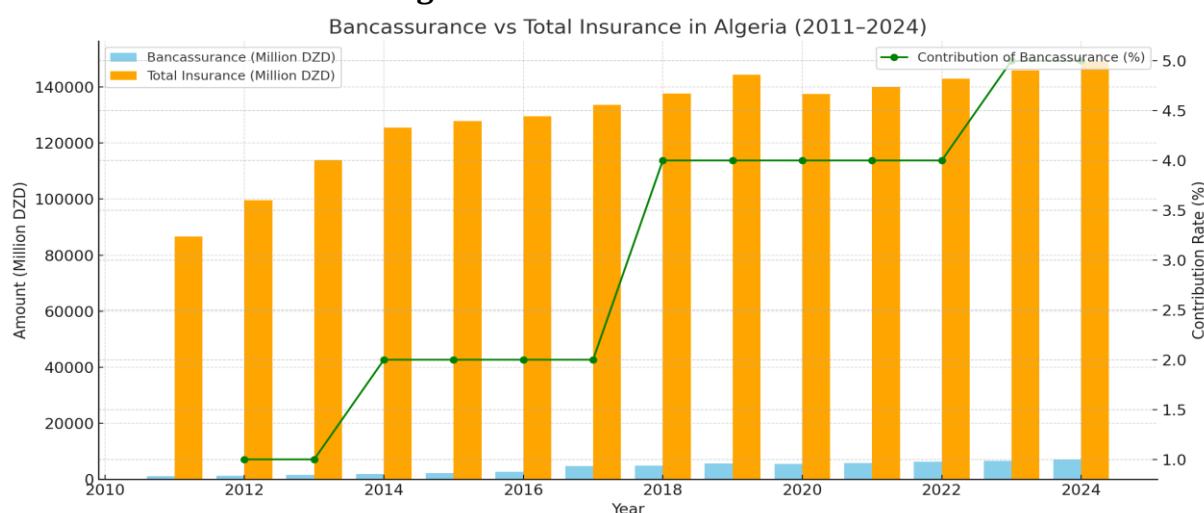


efforts to reach the largest possible number of insured clients. In addition, these insurance branches are profitable, and the likelihood of risks occurring in them is relatively low.

3.2 A Study of Banking Insurance Production in Algeria During the Period 2011-2023

After discussing the agreements made and the commissions obtained under Law 06/04 related to insurance, banking insurance was established, as well as Executive Decree No. 07-153 dated May 22, 2007, which outlines the methods and conditions for distributing insurance products that can be practiced through banks and financial institutions, as well as other distribution networks, including the maximum commission rates for distribution. This decree did not come into effect until 2008, when a series of agreements were signed between banks and insurance companies. We will attempt to clarify the fruits of those efforts by presenting the development of the turnover achieved from the distribution of insurance products by banks:

Fig.1. Development of Banking Insurance Production in Algeria During the Period 2011 – 2022
Unit: Million Algerian Dinars



Source: cna.2025

As shown in the table, in 2011, the bancassurance network began its activities, with a total of written premiums reaching 1.07 billion DZD, of which 123.8 million DZD came from SAA and 901 million DZD from Cardif El Djazair, a company specializing in life insurance. Cardif relies entirely on its direct agencies for the distribution of its insurance products, enabling bancassurance to achieve a market share of 1% in 2011, with the volume of life insurance sales reaching 955 million DZD, of which 790 million DZD was related to borrower insurance for bank clients. In 2012, the total written premiums in bancassurance reached 1.2 billion DZD, an increase of 19% compared to 2011. This increase was due to the activities undertaken by Cardif El Djazair in distributing life insurance products. By 2013, the number of agreements for distributing insurance products through banks rose to 28, allowing for the emergence of a new distribution network with approximately 1,400 bank branches distributing bancassurance products. This generated 1.6 billion DZD in sales, representing a 28% increase compared to 2012, maintaining a market share of 1%. Although the activity level remained modest, insurance companies achieved 1.9 billion DZD in bancassurance sales in 2014, a 17% increase compared to

the previous year, with a market share rising to 2% due to the increased diversity of insurance product distribution channels.

In 2015, the number of agreements increased to 30 (insurance/banks), maintaining approximately 750 bank branches for distributing insurance products. This generated sales of 2.2 billion DZD, primarily from life insurance, which accounted for 2.1 billion DZD, reflecting a 22% increase and a stable market share of 2%.

By 2017, the distribution of insurance products through bancassurance improved to 80% compared to 2016, with total recorded premiums reaching 4.7 billion DZD, the best result achieved due to the efforts made. In 2018, the market share of bancassurance activity rose to 4%. However, in 2020, the total premiums decreased to 5.5 billion DZD, a 1% decline compared to 2019, when they reached 5.6 billion DZD, with the same market share. This decline was attributed to the COVID-19 pandemic.

4. An Applied Study of the Case of the Bank of Agriculture and Rural Development (BADR) in Distributing Insurance Products

An applied study of the case of the Bank of Agriculture and Rural Development (BADR) in distributing insurance products is an important step in understanding the role of banks in enhancing insurance services in Algeria. This section aims to analyze how the bank benefits from insurance agreements and to review its strategies for expanding its customer base by offering a variety of insurance products. We will highlight the achieved results and the challenges faced by the bank in this field, contributing to clarifying the impact of banking insurance on the local market.

4.1. An Overview of the Bank of Agriculture and Rural Development (BADR)

The Bank of Agriculture and Rural Development (BADR) was established on March 13, 1982, by Decree No. 82-206. Its establishment resulted from the restructuring of the National Bank of Algeria . BADR is a commercial bank that can collect deposits, whether current or fixed-term. It also serves as a development bank, capable of granting medium and long-term loans aimed at forming fixed capital (Al-Qazwini, 2000, P63) .

Regarding the lending aspect of this bank, it is considered a specialized bank in the agricultural sector. Its mission is to finance the agricultural sector and various activities in rural areas with the aim of developing rural areas and enhancing food production (agricultural and livestock) at the national level (Bank of Agriculture and Rural Development, n.d) .

In May 1988, the Bank of Agriculture and Rural Development (BADR) transformed into a joint-stock company and became a public institution in the form of a joint-stock company with a capital estimated at 2,200,000,000 DZD, divided into 2,200 shares, each valued at 1,000,000 DZD, according to Law 90-10 dated April 14, 1990. Currently, its capital is estimated at 33,000,000,000 DZD (Agence Presse Service, 2004).

Today, BADR includes 286 branches and 31 regional directorates, employing around 7,000 staff members, including executives and employees. Due to the density of its network and the significance of its human resources, BADR ranks first among Algerian banks and occupies the 668th position in the global ranking out of 4,100 classified banks (Bank of Agriculture and Rural Development, n.d).

4.2. Technical Sheet for BADR Agency in Baghout



We will diagnose the bank that was the subject of the practical study, BADR Agency No. 431 in Baghout. This agency is administratively connected to the regional directorate (Tipaza) reference (42). It is located in the city center, precisely on "Lakhadari Ibrahim" Street. BADR Agency 431 belongs to section "B," meaning it is not independent, unlike section "A," which has decentralized power. This agency employs 25 staff members and relies on a new organizational structure, where the banking insurance department (labancassurance) plays a role by selling insurance products for the insurance company (SAA), based on the agreement discussed in Table No. 18. This structure illustrates the position of the insurance department within the organizational framework of Baghout Agency 431 (Technical Sheet for BADR Agency, n.d).

4.3. Insurance Products Distributed by the Agricultural and Rural Development Bank (BADR)

4.3.1. Personal Insurance Products : These are all the insurance related to personal coverage provided by BADR Bank under the agreement (Insurance Products – BADR, n.d) :

- ✓ Retirement Savings Insurance Contract: Allows the insured to build savings to be paid out upon retirement as a lump sum or annual benefit.
- ✓ Life Insurance Contract: Enables designated beneficiaries to receive a capital amount or annual benefit in the event of the insured's death.
- ✓ Credit Repayment Insurance (ARC): Subscribed to by individuals indebted to a bank or financial institution, this contract ensures equal payment of the remaining amount owed to the creditor if the insured dies (or becomes totally and permanently disabled) before the debt is due.
- ✓ Mixed Insurance Contract: An insurance policy that anticipates paying capital to designated beneficiaries in the event of the insured's death during the contract's validity, or paying capital to the insured if they are alive at the contract's expiration.
- ✓ Supplementary Individual Retirement Insurance Contract: A savings product that includes additional pension payments for the insured.
- ✓ Individual Accident Insurance Contract: Provides compensation for the insured or designated beneficiaries in the event of death due to an accident, total or partial permanent disability resulting from an accident, temporary total disability resulting from an accident, or payment of medical treatment costs in case of an accident.
- ✓ Travel Assistance and Overseas Assistance Contract: Covers bodily injuries occurring while traveling abroad and provides assistance services abroad.
- ✓ Fixed Compensation Insurance Contract in Case of Hospitalization for Surgery.

4.3.2. Housing Risk Insurance : This includes the following (Insurance Products – BADR, n.d) :

- Multi-Risk Housing Insurance Policy: Covers residential properties (movable and immovable) against fire, water damage, theft, and glass breakage. It also covers the financial consequences of the insured's civil liability (or that of their dependent children) in the event of bodily injury or material damage to others.
- Natural Disaster Insurance: Covers the insured's real estate properties against natural disasters, in accordance with Executive Decree No. 03-12 issued on August 26, 2003, regarding mandatory insurance for natural disasters and compensation for victims.

4.3.3. Agricultural Insurance: This includes:

- ❖ Crop Insurance (vegetables) under the "GRELE" contract.
- ❖ Multi-risk insurance contract for "fire and hail on crops."
- ❖ Multi-risk insurance for greenhouses.
- ❖ Multi-risk contract for nurseries and small fruit tree farms.
- ❖ Livestock insurance and coverage against various other risks.
- ❖ Multi-risk contract for "poultry farming."
- ❖ Multi-risk contract for "livestock farming."
- ❖ Multi-risk contract for "agricultural property."
- ❖ Insurance for agricultural machinery and equipment.

This is illustrated in the following table, which shows the production value of the Agricultural and Rural Development Bank agencies under the regional directorate of the National Insurance Company in M'Zouda, including the Baghout Agency, for the banking insurance service for the 2021/2022 period compared to the set targets, highlighting the achievement rates and growth rates.

Table 5. Agency Production for Banking Insurance and Commission Earned for the Period 2021-2022

the symp ol	the agency	Agricultural Insurance + Housing Insurance + Personal Insurance					
		productio n until 31/12/202 2	productionun til 31/12/2021	thedifferen ce 2021/2022	growt h rate	annua l goals 2022	rate of goal achieveme nt
14402	A.L.E BLIDA	38 081	35 217	2 864	8%	84 004	45%
14403	A.L.E BOUFARIK	1 598 723	431 046	1 167 676	271%	432 731	369%
14404	A.L.E TIPAZA	1 711 670	2 875 213	-1 163 542	-40%	2 876 897	59%
14405	A.L.E DJELFA	299 015	1 383 828	-1 084 813	0%	889 726	34%
14406	A.L.E MEDEA	594 928	419 398	175 529	42%	421 083	141%
14407	A.L.E MEFTAH	0	319 797	-319 797	0%	325 696	0%
14408	A.L.E HADJOUT	951 908	585 038	366 871	63%	586 722	162%
14409	A.L.E BOU- ISMAIL	0	650 803	-650 803	0%	656 701	0%
14410	A.L.E EL AFFROUN	1 147 938	520 095	627 843	0%	525 993	218%
14411	A.L.E MILIANA	953 435	92 694	860 740	0%	190 893	499%
14412	A.L.E KOLEA	0	0	0	0%	53 000	0%
14413	A.L.E CHECHELL	375 169	4 806	370 363	0%	103 004	364%



14414	A.L.E AHMER EL AIN	999 419	774 268	225 150	0%	780 167	128%
14415	A.L.E LARBA	102 612	0	102 612	0%	103 000	100%
14416	A.L.E ELKHEMIS	0	160 429	-160 429	- 100%	108 775	0%
14420	A.L.E BOUGARA	677 814	0	677 814	0%	503 000	135%
14421	A.L.E BLIDA	894 064	575 243	318 821	55%	578 767	154%
14422	A.L.E AIN OUSSERA	9 403 416	4 118 515	5 284 901	128%	4 121 913	228%
14423	A.L.E HASSI BAH BAH	5 712 678	1 264 550	4 448 128	0%	1 270 449	450%
14427	A.L.E BENI SLIMANE	677 413	762 485	-85 073	0%	768 384	88%
14428	A.L.E KASR BOUKHARI	2 778 312	1 088 733	1 689 579	0%	1 094 631	254%
14429	A.L.E BERROUAGHI A	687 399	2 339 281	-1 651 882	0%	1 645 179	42%
14431	A.L.E AIN BOUCIF	1 855 496	3 889 224	-2 033 728	0%	3 710 522	50%
14432	A.L.E DJENDEL	540 606	1 692 747	-1 152 141	0%	1 698 645	32%
14433	A.L.E THENIET EL HAD	2 923 523	0	2 923 523	0%	503 000	581%
14434	A.L.E OULED YAICH	448 991	1 291 024	-842 034	-65%	1 292 709	35%
TOTAL		35 372 609	25 274 436	10 098 174		25 325 592	140%

Source: The agency's insurance program.

In 2022, the banking insurance production at BADR Agency 431 in Baghout experienced a significant increase in demand compared to 2021. The production volume in 2021 was approximately 585,038 DZD, rising to 951,908 DZD in 2022, achieving a growth rate of 63%. This growth far exceeds the targets set by the insurance company, indicating the success of the marketing and sales strategies employed by the agency.

This increase can be attributed to several factors, including improvements in customer service and public awareness regarding the importance of banking insurance. The continuous efforts of the staff, including training and professional development, have contributed to enhancing work efficiency and increasing service quality. Furthermore, the agency organized awareness campaigns and workshops to explain the benefits of bancassurance, which helped attract new clients. These efforts are part of a broader strategy aimed at expanding the customer base and increasing

customer satisfaction. Additionally, the agency's collaboration with local companies to promote its products has helped build customers' trust in its services. Thanks to these initiatives, BADR Agency 431 has achieved remarkable success, indicating a promising future for the growth of bancassurance in the region.

4.4.The challenges facing Badr Bank

In this section, we will address the challenges faced by the Agricultural and Rural Development Bank (BADR) in providing insurance products(Bendaoud & Labbas, 2022, P150) :

- Customer Awareness: The bank faces a challenge in raising customer awareness about the importance and benefits of insurance, which affects demand for insurance products.
- Complexity of Insurance Products: Some insurance products may be complex in terms of terms and conditions, making customers hesitant to make purchasing decisions.
- Intense Competition: The presence of many other banks and insurance companies in the market increases competition, making it difficult for the bank to differentiate its products.
- Regulatory Compliance: Compliance with new regulations and laws may require additional resources, impacting operating costs and the bank's ability to introduce new products.
- Technological Upgrades: The institution may face difficulties in updating its systems and providing digital insurance services, which have become essential in the modern era.
- Changing Customer Behavior: Changes in individual behavior can affect demand for insurance products, requiring the bank to adapt to these changes.
- Marketing Strategies: The bank may struggle to develop effective marketing strategies to attract new customers and increase sales.
- Lack of Trained Staff: There may be a shortage of adequately trained staff to provide insurance services effectively and reliably.

5. CONCLUSION

Bancassurance faces significant opportunities and challenges under the Separation Law, which enhances service quality and transparency while increasing customer trust. With growing competition, banks must adopt innovative strategies that align with technological developments and evolving customer needs. Strengthening partnerships with insurance companies and developing new products will play a vital role in achieving sustainable success. It is also important to raise awareness about the benefits and significance of insurance to stimulate demand. Ultimately, bancassurance remains a key element in promoting financial stability and future growth.

5.1.TestingHypotheses :

* **Regarding the first hypothesis:** "Banks face risks in providing insurance services due to regulatory changes, market fluctuations, insufficient trained personnel in the insurance field, and challenges related to compliance with applicable regulations," this statement is accurate. Banks are affected by economic fluctuations in the demand for insurance services, and a lack of skilled personnel at banks can lead to subpar service delivery.

* **Regarding the second hypothesis:** "Badr Bank faces challenges in marketing insurance products, including a lack of awareness among customers and a limited understanding of the products, but the bank addresses these challenges through targeted awareness campaigns and



training its staff to provide effective consultations." This statement is accurate. The bank's awareness campaigns and training courses indicate its effective response to these challenges.

* **Regarding the third hypothesis:** Badr Bank contributes to increasing awareness of the importance of insurance among its clients by organizing awareness campaigns and workshops, and providing educational content through its digital platforms. This helps enhance customers' understanding of the benefits of insurance and the necessity of sound financial planning. This statement is accurate. Offering workshops provides clients with the opportunity to engage with information and increase their awareness of insurance.

5.2.Results : Through this study, we reached a set of results as follows:

- ✓ The law of separation between insurance types plays a role in improving the quality of insurance products offered by banks, enhancing transparency and trust among individuals.
- ✓ There is an increasing focus on improving customer experience by providing tailored and effective services, which strengthens customer loyalty.
- ✓ Banks face challenges in marketing new insurance products, necessitating effective and attractive marketing strategies to attract customers.
- ✓ Banks are required to invest in technology to enhance their capabilities in providing insurance services digitally, facilitating access for individuals and increasing operational efficiency.
- ✓ Strengthening collaboration between banks and insurance companies will contribute to the development of insurance products.
- ✓ Banking insurance plays a significant role in enhancing financial stability for individuals and businesses, contributing to the support of the national economy.

5.3.Suggestions: Based on our study, the following recommendations can be made:

- Banks should enhance marketing strategies to target individuals through innovative methods, such as using social media and digital campaigns, to increase awareness of the benefits of insurance.
- It is important to develop a diverse range of insurance products that meet the needs of different customer segments, including health insurance, property insurance, and loan insurance.
- Banks should invest in information technology and digital applications to facilitate the delivery of insurance services, making it easier for customers to access information and subscribe to products.
- Specialized training programs should be provided for bank employees on insurance products and how to effectively present them, thereby enhancing their ability to serve customers.
- Organize regular awareness campaigns to educate customers about the importance and benefits of insurance, contributing to raising public awareness.
- Conduct periodic assessments of the risks associated with offering insurance products, which helps in making informed decisions and mitigating potential risks.

- Banks should monitor global trends in the insurance industry and adapt their strategies according to new changes to ensure competitiveness.

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