

# Appendix - I

## Questionnaires for Research

This questionnaire is prepared only for assist the research conducted for the partial fulfillment of requirement of the Master of Business Studies (MBS) Degree. The collected views will be used for the purpose of the study and will not misuse anywhere. Therefore the views and opinions will be kept confidential and will not be published anywhere.

Further, I would like to request you to fill up the questionnaire and conferring your view with full co-operation and radiant participation. Your co-operation counts a lot for the success of the study. To attain your views and opinions, please put the tick mark on the 'Box' and write your ideas, opinions, judgment and conclusion as for questionnaire.

Again, requesting and thanking you.

Name of Insurance Company: .....

Name of Representing Personnel: .....

Designation: .....

### Schedules of Questionnaires:

1. What condition is of the premium collection (of insurer) at present situation?

Excellent                       Good                       Satisfactory

2. How is the premium collection system of yours insurance company?

Right                       Somewhat Right                       Wrong

3. How is the collection from premium, at present insurance market?

Less than expected                       In between expected                       More than expected

4. Are you / your firms satisfied with the various rate of premium under different insurance policy?

Yes                                       No                                       In between

5. How well are you/ your firm concern with investment management and portfolio?

Significant Concerned                       Somewhat Concerned                       Not Concerned

6. Do you feel that you/ your firm are able to maintain the desired / maximum beneficial investment policy?

Yes                                       No                                       In between

7. While forming the investment policy, what will be you / your firm's preferences among these?

Portfolios of investment       Return from investment       Objective of investment

8. Which sectors are suitable for the purpose of invest to the insurer?

Fixed Deposit                                       Gov. Saving Bond                                       Share in Market

Any Others .....

9. Is the present investment able to gain desired return?

Yes                                       No                                       Little

10. How is the current investment system of Nepalese insurance companies?

Excellent                                       Good                                       Satisfactory

Any Others .....

11. Is the insurance company has any role in the growth of economic condition of country?

Significant                                       Insignificant                                       Minor

12. What may be the major threats of insurance business at present condition?

Improper investment of fund       Low market opportunities       Unclear act

13. What are the problems, do you think, insurances companies are facing now?

Lack of awareness       Default policies                       Unhealthy competition

14. What is the level of services and solutions provided by Nepalese insurance companies?

Excellent       Good       Satisfactory       Bad

15. Most insurance companies not focus in the rural area due to

Weak government policies       Insufficient capital to invest       Low market share  
 Difficult to topography

16. What should do for the stability and growth of insurances companies in Nepal?

Formulate better government policies       Explore new investment area  
 Extend in rural area       Improving people awareness

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**Appendix - II**  
**Primary Data Collection and Tabulations**  
**Total Numbers of Viewers = 60**

**Condition of Premium Collection**

S.N.	Options	No. of Viewers	%
1	Excellent	0	0
2	Good	45	75
3	Satisfactory	15	25

**System of Premium Collection**

S.N.	Options	No. of Viewers	%
1	Right	30	50
2	Somewhat Right	26	43
3	Wrong	4	7

**Premium Collection at Present Market**

S.N.	Options	No. of Viewers	%
1	Less than expected	20	33
2	In between expected	40	67
3	More than expected	0	0

**Insurer Satisfaction with Premium Rate**

S.N.	Options	No. of Viewers	%
1	Yes	6	10
2	No	11	18
3	In between	43	72

**Clients Satisfactor with Premium Rate and Service**

S.N.	Options	No. of Viewers	%
1	Excellent	3	5
2	Good	18	30
3	Satisfactory	24	40
4	Bad	15	25

**Suitable Sector for Investment**

S.N.	Options	No. of Viewers	%
1	Fixed deposit	19	31
2	Gov. saving bond	18	30
3	Share	16	27
4	Long term projects	7	12

**Concerned with Investment Management and Portfolio** - 100% viewers are in options of significant concerned

**Maintain Desire Benefical Investment Policy**

S.N.	Options	No. of Viewers	%
1	Yes	28	46.7
2	No	12	20
3	In between	20	33.3

**Priority in Forming Investment Policy**

S.N.	Options	No. of Viewers	%
1	Portfolio of investment	21	35
2	Return from investment	25	42
3	Objectives of investment	14	23

**Present Investment Able to Get Desired Return**

S.N.	Options	No. of Viewers	%
1	Yes	19	31.7
2	No	18	30
3	Little	23	38.3

**Current Investment System and Situation**

S.N.	Options	No. of Viewers	%
1	Excellent	12	20
2	Good	44	73
3	Satisfactory	4	7

**Role of Insurance Companies for Economic Growth of Country** -All the viewers are in opinions that insurance business has play significant role for the growth of economic condition of country.

**Major Threats at Present Condition**

S.N.	Options	No. of Viewers	%
1	Improper investment of fund	19	31.7
2	Low market opportunities	18	30
3	Unclear act	23	38.3

**Problems Faced by Insurance Companies**

S.N.	Options	No. of Viewers	%
1	Lack of awareness	17	28
2	Default policies	15	25
3	Unhealthy competition	28	47

**Reasons for Not Extending in Rural Areas**

S.N.	Options	No. of Viewers	%
1	Weak government policies	19	31.7
2	Insufficient capital to invest	18	30
3	Low market share	14	23.3
4	Difficult topography	9	15

**Action Taken for Growth of Insurance Business**

S.N.	Options	No. of Viewers	%
1	Better government policies	20	33
2	New investment sectors	18	30
3	Servicing rural areas	9	15
4	Increase people awareness	13	22

**Appendix - V**  
**Premium Collection and Investment of Insurance Companies**

Figure in Million

Fiscal Year	Amount	2002/03	2003/04	2004/05	2005/06	2006/07	Average of Companies
		2059/60	2060/61	2061/62	2062/63	2063/64	
Alliance Insurance Company	Investment	64.42	87.07	88.23	64.40	70.30	74.88
	Premium	80.41	141.40	149.93	140.08	131.53	128.67
	Percentage	80.12	61.58	58.84	45.97	53.45	58.20
Everest Insurance Company	Investment	127.39	115.78	114.56	113.85	141.68	122.65
	Premium	297.84	267.78	274.31	207.04	222.98	253.99
	Percentage	42.77	43.24	41.76	54.99	63.54	48.29
Neco Insurance Company	Investment	100.03	100.03	100.60	101.10	101.10	100.57
	Premium	218.09	168.09	96.65	113.98	119.65	143.29
	Percentage	45.86	59.51	104.08	88.69	84.50	70.18
Average of Year	Investment	97.28	100.96	101.13	93.12	104.13	
	Premium	198.78	192.39	173.58	153.7	158.05	

**Appendix -VI**  
**Claim Paid to Premium Collection**  
**of Insurance Companies**

Figure in Million

Fiscal Year	Amount	2002/ 03 2059/ 60	2003/04 2060/61		2004/ 05 2061/ 62	2005/ 06 2062/ 63	2006/ 07 2063/ 64	Average of Compan ies
Alliance Insurance Company	Claim Paid	8.88		14.71	16.84	22.26	23.63	17.26
	Premium	80.41		141.40	149.93	140.08	131.53	128.67
	Percentage	11.04		10.40	11.23	15.89	17.96	13.42
Everest Insurance Company	Claim Paid	21.80		21.91	23.39	19.77	28.13	23.00
	Premium	297.84		267.78	274.31	207.04	222.98	253.99
	Percentage	7.32		8.18	8.53	9.55	12.62	9.06
Neco Insurance Company	Claim Paid	10.84		13.94	16.84	16.75	13.14	14.30
	Premium	218.09		168.09	96.65	113.98	119.65	143.29
	Percentage	4.97		8.29	17.42	14.69	10.98	9.98
Average of Year	Claim Paid	13.84		16.85	19.02	19.59	21.63	
	Premium	198.78		192.42	173.63	153.7	158.05	

**Appendix XVIII - A**  
**Correlation between net profit and total investment**

Fiscal Year	X	Y	$x = X - \bar{X}$ $y = Y - \bar{Y}$		x <sup>2</sup>	y <sup>2</sup>	xy
			X				
059/60	19.56	127.39	3.38	4.74	11.42	22.47	16.04
060/61	18.52	115.78	2.94	-6.87	8.64	47.20	-
061/62	17.17	114.56	1.59	-8.09	2.53	65.45	-
062/63	10.12	113.85	-5.46	-8.80	29.81	77.44	48.05
063/64	12.54	141.68	-3.04	19.03	9.24	362.14	-
Total	77.91	613.26	0.00	0.00	61.64	574.70	26.84

Figure in  
Million

X = Total net profit of EICL for the five year period

Y = Total investment of EICL for the five year period

$$\bar{X} = \frac{\sum X}{n}$$

$$\bar{Y} = \frac{\sum Y}{n} = 77.91 / 5 = 15.58$$

$$= \frac{613.26}{5} = 122.65$$

$$r = \frac{\sum xy}{\sqrt{\sum x^2} \sqrt{\sum y^2}}$$

$$= \frac{-26.84}{\sqrt{61.64} \sqrt{574.70}}$$

$$= \frac{-26.84}{7.85 \times 23.97}$$

$$= -0.143$$

$$R^2 = 0.02034$$

**Computation of Probable Error (P.E.)**



**Appendix XV - B**

**ANOVA - Table**

<b>Source of Variation</b>	<b>Sum of Square (SS)</b>	<b>Degree of Freedom</b>	<b>Mean Sum of Square (MS)</b>	<b>F-Ratio</b>
Between Sample (SSC)	783.32	5-1 = 4	783.32/4 = 195.83	Variance between sample
				Variance within sample
Within Sample (SSE)	316.07	15-5 = 10	316.07/10 = 31.61	195.83 / 31.61 =6.195
Total (SST)	1099.39	15-1 = 14	-	-

Where, Degree of freedom between sample =n - 1  
Degree of freedom within sample = N - n  
Degree of freedom for total = N-1

Here,  
Critical value of F at 5% level of significance for  $\mu_1 = 4$ ,  $\mu_2 =10$  is 3.48

Since the computed value of F (6.195) is very greater than it's tabulated value (3.48),  $H_0$  is rejected i.e.

there is significant difference between claim paid with regards to difference insurance companies at 5% level. Hence it is concluded that the claim paid of insurance companies are distinct with regards to each other.

**Appendix XIX - B**

**ANOVA - Table**

Source of Variation	Sum of Square (SS)	Degree of Freedom	Mean Sum of Square (MS)	F-Ratio
Between Sample (SSC)	1460.10	5-1 = 4	1460.10/4 = 365.025	Variance between sample
				Variance within sample
Within Sample (SSE)	148.90	15-5 = 10	148.90/10 = 14.89	365.025 / 14.89 = 24.515
Total (SST)	1609.00	15-1 = 14	-	-

Where, Degree of freedom between sample =  $n - 1$   
 Degree of freedom within sample =  $N - n$   
 Degree of freedom for total =  $N - 1$

Here,

Critical value of F at 5% level of significance for  $\mu_1 = 4$ ,  $\mu_2 = 10$  is 3.48

Since the computed value of F (24.515) is very greater than it's tabulated value (3.48),  $H_0$  is rejected i.e. there is significant difference between net profit with regards to difference insurance companies at 5% level. Hence it is concluded that the net profit of insurance companies are distinct with regards to each other.