### A STUDY ON THE SITUATION OF LIFE INSURANCE MARKET IN NEPAL AND IT'S PROMOTION

### **A Dissertation**

### **Submitted to:**

# TRIBHUVAN UNIVERSITY, SHANKAR DEV CAMPUS IN THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR MASTER OF BUSINESS STUDIES (MBS) PUTALISADAK, KATHMANDU, NEPAL

**Submitted By:** 

**BICHARI RAI (YAMPHU)** 

**ROLL NO 1263/058** 

**April 3, 2012** 

### RECOMMENDATION

This is to certify that the Thesis

Submitted by:

### **BICHARI RAI (YAMPHU)**

Entitled:

## A STUDY ON THE SITUATION OF LIFE INSURANCE MARKET IN NEPAL AND ITS PROMOTION

has been prepared as approved by this Department in the prescribed format of the Faculty of Management. This thesis is forwarded for examination.

Dr. N. K. Pradhan	Prof. Bisheshwor Man Shrestha	Asso. Prof. Praksh Singh Pradhan
(Thesis Supervisor)	(Head of Research Department)	(Campus Chief)

### **VIVA-VOCE SHEET**

We have conducted the viva -voce of the thesis presented

### by BICHARI RAI (YAMPHU)

#### **Entitled:**

### A STUDY ON THE SITUATION OF LIFE INSURANCE MARKET IN NEPAL AND ITS PROMOTION

and found the thesis to be the original work of the student and written according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the Degree of

**Master of Business Studies (MBS)** 

### **Viva-Voce Committee**

Head, Research Department	
Member (Thesis Supervisor)	
Member (Thesis Supervisor)	
Member (External Expert)	

### TRIBHUVAN UNIVERSITY

**Faculty of Management** 

**Shanker Dev Campus** 

### **DECLARATION**

I hereby declare that the work reported in this thesis entitled "A STUDY ON THE SITUATION OF LIFE INSURANCE MARKET IN NEPAL AND ITS PROMOTION" submitted to Office of the Dean, Faculty of Management, Tribhuvan University, is my original work done in the form of partial fulfillment of the requirement for the Degree of Master of Business Studies (MBS) under the supervision of Prof. Dr. N. K. Pradhan of Shanker Dev Campus.

Bichari Rai (Yamphu)

Researcher

#### **ACKNOLEDGEMENT**

I would like to express my gratitude to many individuals, who have helped to shape this thesis in the present form. I would like to extend my appreciation for making much effort to the faculty of management, Tribhuvan University for involving this thesis writing in the syllabus of MBS to enhance the potential skills to the students. This can be helpful for doing independent research works in their specialized fields. In the beginning, I would like to express my sincere and unforgettable gratitude to all those who personalities whose name cannot be seen in the list.

I would like to extend my great sense of gratitude to my respected research supervisor Dr. N. K. Pradhan for his support and valuable guidance, constructive comments and suggestions and for his encouraging recommendations without which this study would not have come in this form.

My sincere thanks and acknowledgements are due to several people because I am obliged and indebted to all the members of Shankar Dev Campus, all the members of insurance companies and Purna Thapa of Beema Samiti for their concern kinds. I even would like to express my sincere appreciation to Mr. Parshu Yamphu my cousin, Mr. Puskar Khadka, Mr. Hari Chapagain and Mr. Madhu Rai my friends for their incomparable and invaluable supports and ideas given freely.

Notably, I would like to express my sincere thanks to my family members because without whose help, this study probably would never have been completed.

At last, I would like to welcome and receive the constructive and valuable comments and suggestions.

Bichari Rai (Yamphu)

21 Chaitra 2068

### LIST OF TABLES

TABLE NO.	TITLE				
PAGES					
Table 1: Constitution of the I	nsurance Board	•••••			•••••
Table 2: Total premium inco	me in different f	iscal year	•••••		
82					
Table 3: Comparison of insur	rance premium v	with GDP			
83					
Table 4: Investment in differ	ent fiscal year				
84					
Table 5: Number of Policies		•••••			
85					
Table 6: Number of Agents					
86					
Table 7: Number of Employe	ees in Different l	Life Insurano	ce Comp	anies	
87					
Table 8: Authorised, Issued a	and Paid up Capi	ital			
88					
Table 9: Number of	insured in	Different	Life	Insurance	Companies
	89				
Table 10: Bonus	Rate of	RBS	for	Different	t Years
	• • • • • • • • • • • • • • • • • • • •	90			
Table 11: Bonus Rate of Nat	ional Life for Di	fferent Year	's		• • • • • • • • • • • • • • • • • • • •
91					
Table 12: Bonus Rate of NLI	C for Different	Years			
91					
Table 13: Bonus Rate of LIC	for Different Y	ears			
91					
Table 14: Bonus Rate of Met	life Alico for Di	ifferent Year	's	•••••	
92					

	an Life for Different Years
	me Life for Different Years
92	
	LIST OF CHARTS
CHART NO.	TITLE
PAGES	
Chart 1: Total premium inco	me in different fiscal year
Chart 2: Comparison of insu	rance premium with GDP
Chart 3: Investment in differ	ent fiscal year
Chart 4: No. of Policies 86	
Chart 5: No. of Agents 87	
Chart 6: No. of Employees	

### **ABBRIVIATION**

NBL: Nepal Bank Limited

NLG: National Life & General Insurance

Govt. : Government

NGO: Non-Governmental Organization

INGO: International Non-Governmental Organization

BS : Bikram Sambat

AD : Anno Domini

RBS : Rastriya Beema Sansthan

NLIC: Nepal Life Insurance Company

LIC : Life Insurance Corporation

PTD : Permanent Total Diability

PWB: Premium Waiver Benefit

AWI: Accident Weekly Income

GDP: Gross Domestic Production

SA : Sum Assured

3PP : Three Payment Plan

EPP : Education Protection Plan

AD : Accidental Death

AMR: Accidental Medical Reimbursement

ADB: Accidental Double Benefit

### **CONTENTS**

Recommendation Letter Viva-Voce Sheet Declaration Acknowledge Contents
List of Tables
List of Charts
Abbreviation

#### CHAPTER – I INTRODUCTION

INTRODUCTION
1.1 Background of the Study
1.2 Statement of the Problem
3
1.3 Objectives of the Study
1.4 Limitation of the Study
1.5 Rational of the Study 5
CHAPTER – II
REVIEW OF LITERATURE
2.1 Conceptual Framework
7
2.2 Review of Related Studies
2.2.1 Number of Insurance Companies and Their Products/Policies
1. Rastriya Beema Sansthan
2. National Life Insurance Company
3. Nepal Life Insurance Company
4. Asian Life Insurance Company
5. Life Insurance Corporation (Nepal) Limited
6. MetLife ALICO Insurance Company
7. Surya Life Insurance Compayny
8. Gurans Life Insurance Company
9. Prime Life Insurance Company
2.3 Review of Thesis
71

5.2 Recommendation	•••••
100	
BIBLIOGRAPHY	
103	
APPENDIX I	
105	
APPENDIX II	
106	
APPENDIX III	
107	