OVERVIEW OF NEPALESE INSURANCE INDUSTRY

Pujan Dhungel
Adhikari
Director
Establishment and Legal framework

Nepal Insurance Authority

- Insurance Board (Beema Samiti) was established in 1969
- Insurance Board was converted into Nepal Insurance Authority with the enactment of Insurance Act, 2022
- Authority established to regulate insurance sector
- Major role is to perform prudential supervision, conduct supervision and market development
- Act as Advisor of Government of Nepal to formulate National Insurance Policy
- Issue license for establishment of Insurance companies and insurance intermediaries
- Quasi Judiciary Authority for dispute settlement
- Provision of establishment of Insurance college and insurance information bureau in Insurance Act
- Provision of licensing of standalone microinsurance companies in Insurance Act 2022
INSURANCE INDUSTRY AT A GLANCE

Number of Insurers

- **14** Life Insurance Companies
- **14** Non-Life Insurance Companies
- **2** Re-Insurance Companies
- Micro-Insurance Companies
  - Licensed - **7**
  - In operation - **6**

Insurance Intermediaries

- **15** Reinsurance Brokers
- **268,073** Individual Agents
- **1,217** Surveyors

As of: October 2023
# INSURANCE INDUSTRY AT A GLANCE

<table>
<thead>
<tr>
<th>Regulatory Licensing Capital Requirement</th>
<th>FY 2021/22</th>
<th>FY 2022/23</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance</td>
<td>$37.94 Million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Life Insurance</td>
<td>$18.97 Million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro- Insurance</td>
<td>$ 5.69 Million</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Indicators</th>
<th>FY 2021/22</th>
<th>FY 2022/23</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Contribution</td>
<td>3.60%</td>
<td>3.40%</td>
<td></td>
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<tr>
<td>Insurance Coverage</td>
<td>41.39%</td>
<td>44.38%</td>
<td></td>
</tr>
</tbody>
</table>

As of: July 2023

Exchange Rate 1$ = 131.77 NPR
Gross Premium Collection

80% Government subsidy in agriculture insurance premium

As of: July 2023
Micro Insurance Initiatives

• Formulation of Microinsurance Directive, 2015 initiated Microinsurance in Nepal

• Insurance Act -2022 – Provision for establishment of standalone Microinsurance Company

• Revised Microinsurance Directive, 2022 issued

• Recently 7 Microinsurer (3 life and 4 nonlife) has been licensed

• Regulatory Service Fee set at 0.50 percent of Total Gross Premium (0.75 % for conventional insurers)

• Specific Product Directive for standalone microinsurance products is being drafted

• Mobile Insurance Guidelines and Digital Policy Guidelines being drafted

• Standardized products to be designed by regulator for micro non-life insurers

• Insurance education and awareness programs
Thank you