



A STUDY ON THE IMPACT OF COVID-19 IN INSURANCE SECTOR OF NEPAL



Beema Samiti
Insurance Regulatory Authority of Nepal

Kupandol-10, Lalitpur, Bagmati Pradesh, Nepal
September 1, 2020



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DECLARATION

The study report entitled "A Study on Impact of Covid-19 in Insurance Sector of Nepal" is prepared by the Supervision, Agriculture and Micro Insurance, Re-Insurance/Research Department of Beema Samiti. The study used two quarters different period of secondary data starting from FY 2075/76 to FY 2076/77 provided to the Beema Samiti by all insurance companies in Nepal for exploring the impact of Covid-19. The quantitative secondary data used in the study might differ due to differences in the audited and unaudited financial statement of few insurance companies.

The findings, interpretations and conclusions expressed in this report are based on empirical estimation of data. The symbol, signs and format followed in this report do not imply any metamorphic judgements. The study is purely based on the secondary data (financial data) and is explorative in nature. There are various methods for examination of impact of covid-19, among those we chose the feasible one for our study and is described in detail in the methodology section of this report.

Nothing herein shall constitute or be considered as a limitation upon or waiver of the provisions of existing rules, regulations and legislations.

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MESSAGE OF CHAIRMAN

It is indeed an immense pleasure to announce that Beema Samiti has conducted a research entitled "A Study on Impact of Covid-19 in Insurance Sector of Nepal". Nepalese insurance industry witnessed a virtuous growth of its business in the last couple of years. Insurance industry has reached to nearly thirty percent coverage in average as a result of the policy departure of the past three years. The unfortunate of COVID-19 pandemic hit world economy and insurance sector. In this context, we focused on to explore impact of COVID-19 Pandemic on Nepalese Insurance market for policy development.

Continuous research and development activities are essential because research and development is one of the ways to acquire new knowledge and find the solution for strategic fit. The goal of this research is to explore impact of COVID-19 pandemic on insurance industry of Nepal. Beema Samiti has been conducting various policy level researches since last few years and this study is a continuation of such practice.

I would like to thank the Director Mr. Susil Dev Subedi, Deputy Director Punam Gyawali Shrestha and the Assistant Director Ram Koju of the supervision division for conducting this research. With great pleasure, I would like to thank all those involved in the preparation and publication of this research. I hope this report will certainly be helpful to insurer, students, insurance professionals, investors, researchers, academicians and other stakeholders. Furthermore, I believe that the Government of Nepal and parallel line agencies of Beema Samiti as well as international communities are also expected to take benefit from it.

Last but not the least, I would like to assure all the concerned stakeholders that research in the related field would be regularly conducted by Beema Samiti in the future. Such study will eventually help to enhance the capability and proficiency of the company through knowledge building.

Chiranjibi Chapagain
Chairman
Beema Samiti
(Insurance Regulatory Authority of Nepal)

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List of Acronyms

FPI	: First Premium Income
RPI	: Reinsurance Premium Income
TPI	: Total Premium Income
CIA	: Claim Intimation Amount
CPA	: Claim Paid Amount
NCI	: Number of Claim Intimation
NCP	: Number of Claim Paid
NAE	: New Agent Enrolment
NCCI	: Number of Corona Claim Intimation
CCIA	: Corona Claim Intimation Amount
NCCP	: Number of Corona Claim Paid
CCPA	: Corona Claim Paid Amount
ROLF	: Rebate on Late Fee
NPEROLF	: Number of Policyholders Enjoying Rebate on Late Fee
NBP	: New Business Premium
RBP	: Renewal Business Premium
TBP	: Total Business Premium.
NCCOS	: Number of Corona Claim Outstanding
CCP	: Corona Claim Paid
CCOS	: Corona Claim outstanding

Executive Summary

This report investigates the impact of Covid-19 on insurance sector of Nepal. For in-depth study data is classified into non-life, life and reinsurance sector. Data are collected by Beema samiti for the period of Chaitra 2075 BS to Ashad 2076 BS (Non-Corona period) and Chaitra 2076 BS to Ashad 2077 BS (Corona Period) in monthly basis to investigate the comparative trend analysis between the two period to explore impact of Covid-19. The study used Microsoft Excel 2016 for data analyses and presentation of the study findings. The major findings of the report are classified into three sector which are listed below:

Life Insurance Sector:

- In life insurance Premium collection sector, FPI, RPI and TPI has changed marginally expect FPI is drastically drop in Chaitra_76 and Baishakha_77 compare to prior non-Covid period apart from that all are in normal trend. This indicate there no significant impact of Covid in life insurance Sector rather than acquisition of new business area.
- CIA and CPA is decreased except in the month of Jestha_77& Ashad_77 in Covid period compare to non Covid period expect in the month of Jestha & Ashad_77. Rapid increased in claim intimation amount and claim paid amount in month of Jestha and Ashad_77 compare to prior month indicated the initial impact of COVID-19 pandemic in claim area of life insurance.
- NAE decreased in Corona period compare to non-Corona period due to nationwide lockdown. Examination from lockdown started date to end date report find constant increased in NAE over the Corona period it is because of use of digital platform for agent enforcement by companies.
- Amount Rs. 68,906,440.85 amount is contributed by company as rebate on late fee whereas 3,17,526 general policyholders are enjoying rebate on late fee on renewal premium during the lockdown.
- Branch expansion of life insurance is increasing (1904 to 1943 branches) compare to past year even it was Corona period. Similarly, in context of number of employee, drastically change is not found. this indicate there no significant impact of Corona in branch expansion and employment of life insurance sector.

Non-Life Insurance Sector:

- NBP has decreased drastically from month of Chaitra to Jestha_77 compare to non-Corona period. it is because implementation of lockdown from 9 Chaitra 2076 to prevent Covid-19 Pandemic. whereas NPB, RBP & TBP are increased in the month of Ashad_77 compare to Non Corona Period. RBP shows continuity over the period. it shows constant minimal growth over the period creating flat oval shape. this implies no significant impact of Covid in RBP during period. TBP is sum of NBP & RBP and NBP has grader impact on TBP thus, TBP Follow the behavior of NBP over the period compare to the non-Corona period.
- CP is decreased in Corona period compare to non-Corona period expect in the month of Ashad_77. Due to COVID-19 Pandemic it is expected to increase in CIA but data showing decreased. The reason behind this may be implementation of lockdown create problem for

general policyholders to claim or might be low claim itself as non-life insurance is dominated by motor insurance and vehicles are not operated during lockdown.

- Amount Rs 599.73 Lakh is contributed by companies as lay-up premium discount to general policyholders to enable certain financial concession to general policyholders during lockdown for renewal of their policy. Among that Shikhar insurance has highest share (33.47%) as it is market leader of nonlife insurance market whereas GIC Nepal have lowest contribution (0.38%) as it is new company in market.
- There are 4876 employees working in nonlife sector before pandemic(Falgun_76) whereas there is 4805 employees in pandemic period (as on Ashad_77 end of Lockdown). This shows 71 people lost or resigned the job during pandemic period. It is nominal but still has impact of COVID-19 on this sector. There is no significant change in number staff before and during pandemic although there is slight change in some companies like: IME (25), Everest (20) & Neco (16) insurance companies hence, it might be resignation by employee itself or due to lay off. This bring another scope for our study
- There is no direct impact on branch expansion activities of general companies. there are slightly increased in number branch operation as whole in industry during the pandemic period compare to previous period. Hence it should not bottom line of impact of Corona on branch expansion as date are taken for only two periods. But by given limitation of these data we can say there is no significant impact on branch expansion.

Reinsurance Sector:

- There is no significant impact of Covid-19 pandemic in premium collection sector of Nepal-re as on Ashad_77. The reason behind this may be monopoly of Nepal Re in Nepali insurance sector and it is too early to identify the impact of Covid-19, the detail impact on reinsurance is yet to discover.
- The Claim paid statics of nonlife for the month of Chaitra_76's decreased by 99.50% in compare to non-Corona period but in Baishakha_77 onward claim Paid is increased in both life and nonlife sector compare to non-Corona period. Nonlife sectors claim is increasing rapidly till Ashad_77 compare to non-Corona period and life insurance sector claim is increased from jetha_77 onward compare to non-Corona period. The reason behind might be impact of Covid-19 or it might be the natural growth. Hence looking at data of Baishakha & Jetha_77 the gigantic increased might be the hit of Corona in Nepalese insurance market.
- Retro session premium reduced by 12% and facultative premium outward reduced by 76.75% in Corona period compare to non-Corona period. This indicate significant impact of COVID-19 pandemic in Nepali insurance sector as Facultative premium outward is hugely dropped.
- There is renew of reinsurance treaty without drastically change in terms and condition as in non-Corona period in context of life insurance' companies whereas in context of non-life companies, most of the companies have renewed the reinsurance treaty with upgraded terms and conditions with compare to non-Corona period. this indicate the impact of Covid-19 pandemic on global reinsurance sector

Most of the companies has initiated internal guidelines and circular for operation of companies during Corona period. like Safety Measures, work from home concept, Compulsory use of mask at work place and frequent use of sanitizer or hand wash is implemented for employees & Compulsory use of mask and sanitizer or hand wash to enter office area for employee and others. companies have initiated to build tech friendly organization in other to survive and success in this environment.

SECTION ONE: INTRODUCTION

1.1 Background of Study

Corona virus disease, scientifically reclassified as COVID-19, has assumed global pandemic. It is declared pandemic status by the World Health Organization (WHO) on 28th, Falgun, 2076. The current spread of the virus at a fast rate compared to previous pandemics. Globally, as on second September 2020, there have been 25,602,665 confirmed cases of COVID-19, including 852,758 deaths, reported by WHO. Among that **Americas have 13,469,747** Confirmed cases, **South-East Asia** have 4,318,281 Confirmed cases, **Europe** have 4,311,271 Confirmed cases, **Eastern Mediterranean** have 1,939,204 Confirmed cases, **Africa** have 1,061,462 Confirmed cases and **Western Pacific** have 501,959 Confirmed cases.

The COVID-19 pandemic is the defining global health emergency and the greatest confront that world faced since World War Two. The Corona virus pandemic brings greater volatility in global business environment resulting economic and health crisis across the world. Thoughtful of its vulnerabilities different nation enforced different health plan resulting slowdown of economy. Given that most of industries are likely to bear impact of sudden halt of economic activities.

Nepal, a land linked country and open boarder nation with India stands highly defenseless to the recitation COVID-19 pandemic. Thoughtful of its vulnerabilities, the Government of Nepal has enforced a nationwide lockdown and activated its federal, provincial and local level mechanisms to respond to the crisis. While there is an urgent need to strengthen the existing health system to handle the situation in case of any sudden surge of outbreak, standardize the quarantine facilities and provide immediate relief to the most-affected, equally important is to help the country mitigate the socio-economic impacts and prepare for recovery.

Nepal Government has reported over 185974 COVID-19 cases as of 5 November 2020. Meanwhile, the secondary impact of the global pandemic is huge and it is already taking a serious toll on an economy that relies heavily on remittances, informal labor, tourism revenues import based trade & industry. The fact that Nepal's economy is largely reliant on remittance (25% of GDP), tourism (8% of GDP), agriculture (26% of GDP) and imports of essential items and supplies from outside has made the poor households and the often unskilled workers, including returnee migrants, particularly vulnerable to income losses. Given that most of these people are outside the official social safety net, they are likely to bear the impact of the sudden halt or slowdown of economic activities in Nepal.

The pandemic has hard-pressed all businesses across the globe and the insurance industry is no exception. From selling new policies to settling claims, the extended lockdown in the wake of Covid-19 has increased challenges to insurance companies across the globe and the Nepal is in no exception zone.

1.2 Introduction

Insurance as a method of risk mobilization mechanism through scientific study of risk profiling and explore risk (Financial) associated with people and society as whole. The insurance industry seeks to protect a country's people, assets and businesses. Therefore, the insurance business has always been closely tied to a country's business recital and asset possession. Life insurance protects possible financial risk of the livelihoods of people and future earnings and has a direct association with the earnings of people, their business recital and net worth. General insurance protects assets and businesses and their valuation as well as overall economic activity. Reinsurance depends on overall performance of life and non-life business. Smooth and Stable environment is crucial for economic prosperity of country's people. Interruptions in stable business environment create massive impact on people's business. Covid-19 interrupt the smooth and stable business through nationwide lock down resulting slow down or halt of economic activates impacting all sectors and insurance business is no exception.

Nepali insurance industry is in pick stage of double digit growth rate but due Corona virus economic activities are in halt or slow down resulting massive impact on insurance sector as it is linked with performance of people's business of a country. Covid-19 as health emergency creates massive impact on health insurance, motor insurance, aviation insurance, travel insurance, property insurance, marine insurance and life insurance sector. Covid-19 has impact on from insurance policy selling to claim settlement. This motivates us to conduct this study. This study examines the impact of Covid-19 in insurance industry in case of Nepal.

This study investigates the impact of Covid-19 on insurance sector of Nepal. For in-depth study it classified into non-life, life and reinsurance sector. The impact on non-life insurance might differ depending on the products and types of exposure offered by the insurers. Life insurers are might exaggerated by falling asset values, increased instability, diminishing interest rates, and increasing credit risks. At this stage of the pandemic, it will be premature to convinced of how higher claims will affect the sector, both in terms of the level of excess deaths and the relative impacts on different lines of business. Hence study attempt investigates its impact on beginning phage. Reinsurers also might be impacted in much the same way as insurers, although their impacts will be more distinct on the demographic side for those business lines more profoundly reinsured. On the Life reinsurers' prospect of loss will depend on the expansion of mortality rates and its impact on insurer overall books of business. On the non-life Insurance business, one of the major determinants will be the definition of the 'event' from which the loss is driven from in the individual reinsurance contracts. The further complication in reinsurance might be societal, regulatory pressures insurer to accept paying certain claims but the reinsurer disputes this position & such situations bring additional clues in reinsurance treaty and addition on reinsurance premium raising cost of non-life insurance business.

The study report attempts to examine the 360-degree impact of Covid-19 on insurance sector of Nepal at this phage. Hence, this pandemic will have long-term impact on people's business in country and insurance is not exceptional of it. Apart from that this study tries find the ideal plan to recover this pandemic impact on insurance sector.

1.3 Objectives of Study

The study is based on descriptive analysis of new and renews insurance business, Claim, Reinsurance, Management Expenses, branch expansion & contractions to comparative examination of impact of Covid-19 on insurance sector of Nepal. The major objectives are listed below:

- To examine the impact of Covid-19 on Life, Non-life and reinsurance industry in Nepal.
- To explore management and operation practice and plan during Covid-19 period.
- To explore ideal action plan to boost up insurance industry from Covid-19 impact.

1.4 Methodology of Study

The study attempts to explore the impact of Covid-19 on insurance sector of Nepal. Study classified insurance sector into three areas they are Life, Non-Life and reinsurance. Data are collected by Beema samiti from insurance company directly for the period of Chaitra 2075 BS to Ashad 2076 BS and Chaitra 2076 BS to Ashad 2077 BS in monthly basis to investigate the comparative trend analysis between the two period to explore impact of Covid-19.

The study used different variables. A brief discussion and background of variables used in this study is summarized in Table 1.1.

Table 1. 1 Description of variables and their sources

Area	Variable	Explanation	Source of data	Period
Common Variable	Claim paid and OS	claim paid in number and amount & Outstanding Claim	Beema Samiti	Chaitra 2075 BS to Ashad 2076 BS & Chaitra 2076 BS to Ashad 2077 BS
	NO of Employee	Number of Employee		
	No of Branch	Number of Branch		
	Reinsurance treaty Condition	Reinsurance treaty Condition update and changes		
Life	FPI	First Premium Income		
	TPI	Total Premium Income		
	RPI	Renewal Premium Income		
	New Agent Enrolment	New Agent Enrolment		
	Discount on late fee on renew Premium during Lock down Period	Discount on late fee on renew during Lock down Period as per Beema Samiti		
Non-Life	New Business	New Business		
	Renew Business	Renew Business		
	Lay-UP Period Premium Discount Amount	Lay-UP Period Premium Discount Amount as per Beema Samiti Circular		

	No of Corona Policy issued & total premium	No of Corona Policy issued and total premium geographically.		
	Corona Policy Claim paid & O/S	Corona Policy Claim paid & Out Standing		
Re-insurance	Reinsurance Premium	Reinsurance Premium from life & non-life		
	Management Expenses	Management Expenses quarterly		
	Retro session Premium	Retro session Premium		
	Facultative Premium outward	Facultative Premium outward		
	Reinsurance Grading	Reinsurance Grading		
	Reinsurance premium Change in %	Reinsurance premium Change in %		

The study will do comparative trend analysis of different variable over the two period of time to examine the impact of Covid-19 in insurance sector. for that, the study used Microsoft Excel 2016 for data analyses and presentation of the study findings. Quantitative data was analyzed using descriptive statistics, which included measures of tendencies (mean, median) and measures of dispersion (standard deviation and range).

1.5 Limitation of Study.

- This study attempts to examine the impact of Covid-19 on insurance sector based on quantitative data rather than the qualitative aspect
- This study is conducted based on quantitative data of specified months of two physical years that are collected from the companies to identify impact of Covid-19 on insurance however; time period of data might be insignificant but its only aim to compare data with non-lockdown period to with lockdown period in order to explore impact of lockdown in insurance industry of Nepal.

1.6 Structure of Report

The report is divided into three chapters. Chapter one provides the research background, introduction, research objectives, Methodology, scope and the limitations of the study. Chapter two comprises presentation and analysis of collected data and covers the findings and finally chapter three covers the summary, recommendations, conclusion and areas for further research.

SECTION TWO: DATA ANALYSIS & PRESENTATION

In This chapter we analysis the collected data in other examine the impact the Covid-19 on insurance sector of Nepal. we attempt to examine different parameters of Covid period with non Covid period. we have taken fourth quarter of FY 76_77 as Covid period and fourth quarter of FY 075/76 as a non Covid Period. this report examines different parameter among these two period and try to explore impact of COVID-19. For comprehensive examination of comparative trend analysis of two periods we have classified entire insurance sector into three sector they are life. non-life and reinsurance industry.

2.1 Life Insurance Industry

In this section, we attempt to examine the impact of Covid in life insurance sector through broad comparative trend analysis of two periods.

2.1.1 Trend of FPI, RPI and TPI for Non-Covid Period

Table 2. 1 Statics of FPI, RPI and TPI for FY75/76

Amount in million			
Month	FPI	RPI	TPI
Chaitra_75	2109.91	3174.34	5284.25
Baishakha_76	2215.64	3410.16	5625.80
Jestha_76	2417.73	3421.41	5839.14
Ashad_76	7681.08	5131.56	12812.64
Total	14424.35	15137.47	29561.82

Table 2.1 shows Monthly data of FPI, RPI & TPI for the month of Chaitra and last quarter of FY75/76. In table FPI and TPI are constantly growing from Chaitra_75 to jestha_76 where as in Ashad_76 it is growing at Geometric rate (FPI @ 217% & TPI @ 119%). whereas RPI is constantly growing over the period and slightly growing in increasing rate by 50% in Ashad_76. This trend could be more clear in Figure 2.1.

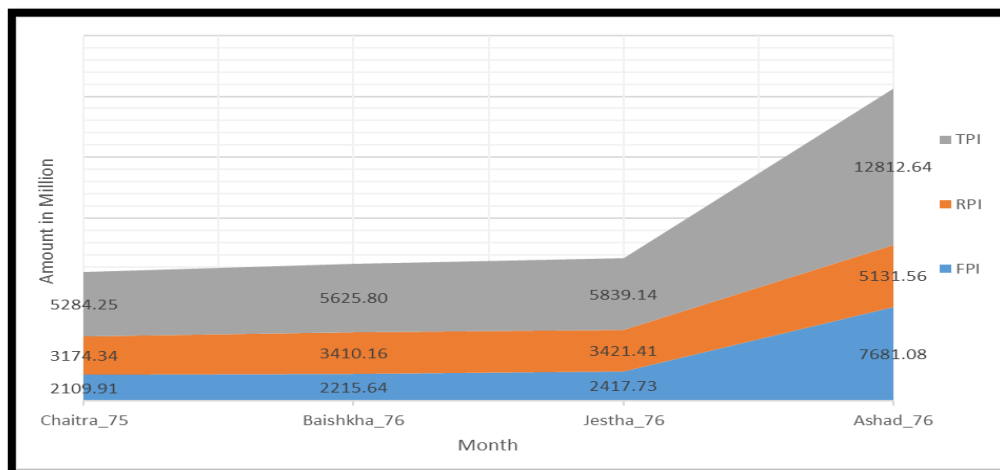


Figure 2. 1 Trend of FPI, RPI and TPI for FY75/76

Figure 2.1 show the Increasing growth rate of FPI, RPI and TPI from Chaitra_75 to Jeshta_76 where as in Ashad_76 it is increased in geometric growth rate. the reason behind this geometric reason may be the year end process which is normal over the period.

2.1.2 Trend of FPI, RPI and TPI for COVID Period

Table 2. 2 Statics of FPI, RPI and TPI for FY76/77

Amount in million			
Month	FPI	RPI	TPI
Chaitra_76	624.57	1402.35	2026.91
Baishakha_77	524.55	883.69	1408.25
Jestha_77	1673.28	3213.72	4887.00
Ashad_77	10012.80	11978.06	21990.86
Total	12835.20	17477.83	30313.02

Table 2.2 shows Month wise data of FPI, RPI & TPI for the month of Chaitra_76 to Ashad_77 of Covid Period (FY75/76). In table 2.2 FPI, RPI and TPI are decreased by 16 %, 39 % and 30% respectively from Chaitra_76 to Baishakha_77, the reason behind this may be the implementation of lock down across the nation from Chaitra 9, 2076 in other to prevent Corona pandemic. Same as if we observe, Jestha_77 & Ashad_77 statics, FPI, RPI and TPI is slightly increased compare to Baishakha_77 it is due to semi-operation financial institution from 25 jestha_77 and removal of lockdown from 1st Ashad_77. The above trend will be elaborated with the help of Figure.

Figure 2. 2 Trend of FPI, RPI and TPI for FY76/77

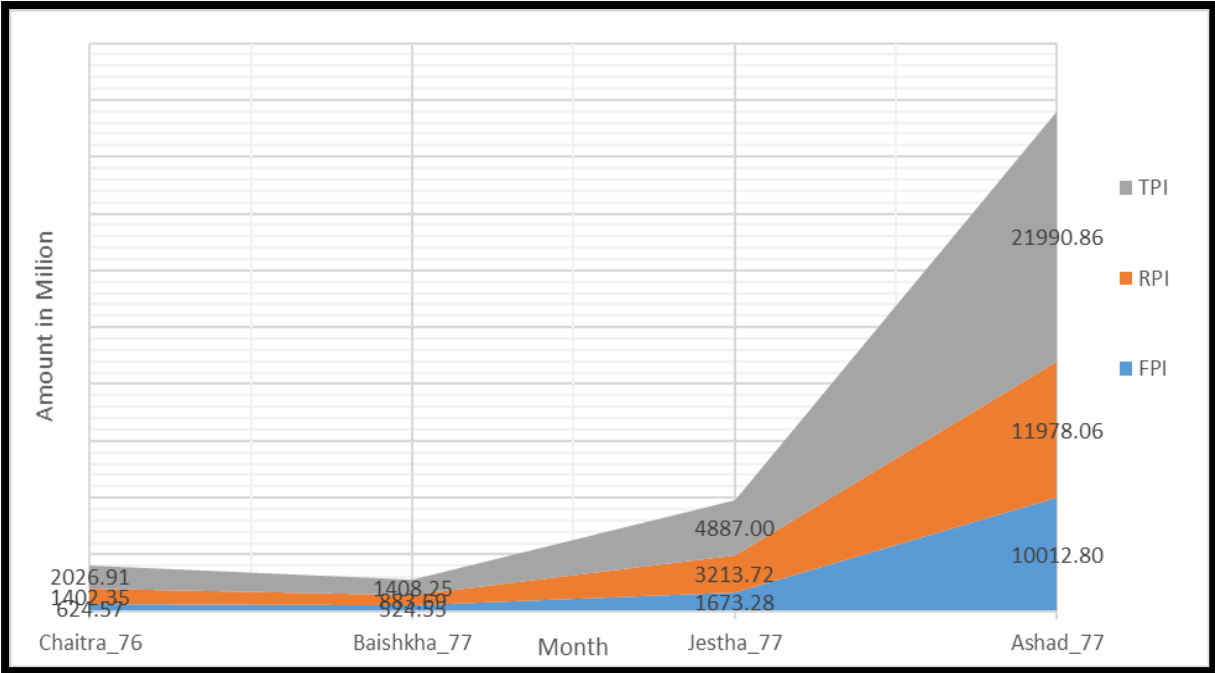


Figure 2.2 enable us to explore trend of FPI, RPI and TPI over the Corona period indicating Crunch in Figures of TPI, RPI & FPI in the month of jestha_77 where as stiff up warded from

Jestha_77 to Ashad_77. This indicated the unsteady, presented in Figure line showing quick down and up in FPI, RPI & TPI over the Corona period. The reason behind this, may be implementation of lockdown across the nation (Chaitra_76 to Baishakha_77), semi - operation of financial institution (25 Jestha_77 Onward) and removable of lockdown (1st Ashad_77) over the period.

2.1.3 Comparative Trend Analysis of FPI, RPI &TPI with Non-Corona Period (FY 075/76) and Corona Period (FY 076/77)

Figure 2. 3 Examination of Covid & Non-Covid Period of FPI, RPI & TPI

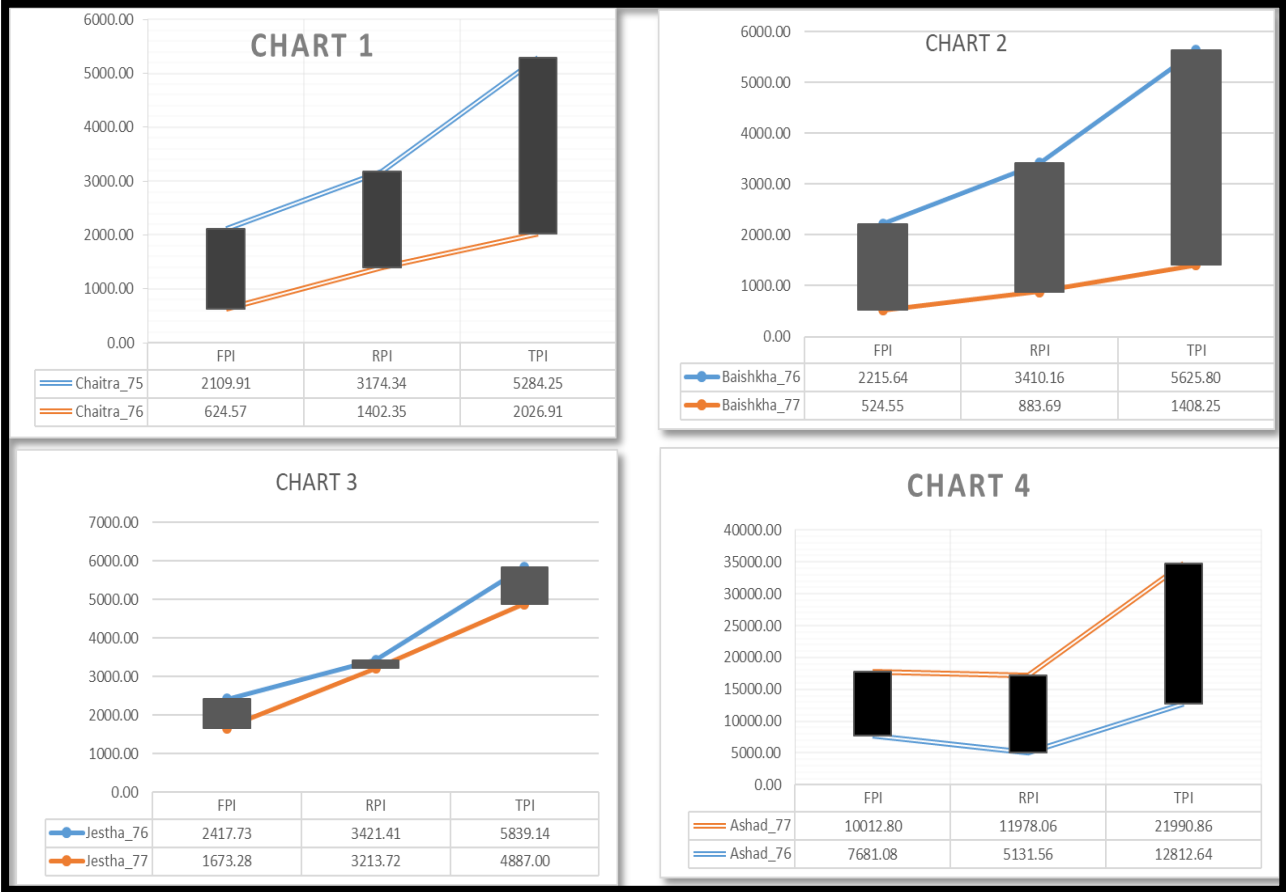


Figure 2.3 represent the comparative exploration of FPI, RPI and TPI's performance over the Covid and non Covid Period. This Figure enables us to know about difference in statics over the two period in other to estimate impact of Covid in life insurance industry.

Figure 2.3 Consist of 4 Chart of 4 different months. Chart 1 consist of Statics of Chaitra_75 and Chaitra 76. it indicates that, around 30% decreased in FPI in Corona period where as minor decrease in RPI. Chart 2 represent the Statics of Baishakha-76 and Baishakha_77 indicating harshly decreased (More than 74%) in FPI, RPI and TPI. The reason behind this might be, the lockdown implemented from 9th of Chaitra 2076, this tend people to hold money for precautionary motive rather than spending in other

Similarly, Chat 3 represent the data of Jestha_76 & 77 representing minor decrease in FPI, RPI and TPI. In context of RPI minimum change with compare to Covid and non-Covid period

shown by up and down bar in Figure. The reason behind might be semi-operation of financial institution from last week of jस्था_77.

Similarly, Chart 4 represent the statics of Ashad_76 & 77 indicating, expansion of all statics TPI, RPI and FPI prior to other month and follow similar pattern as of non Covid period. This indicate there in no significant impact of lockdown in FPI, FPI and TPI in month of Ashad_77. the reason behind may be the removal of nation lockdown from 1st of Asadh_77.

In context of life insurance sector, FPI, RPI and TPI has changed marginally expect FPI is drastically drop in Chaitra_76 and Baishakha_77 compare to prior non-Covid period apart from that all are in normal trend. This indicate there is no significant impact of Covid in life insurance Sector rather than acquisition of new business area.

2.1.4 Trend of CIA & CPA for Normal Period (FY 75/76)

Table 2. 3 Statics of CIA & CPA for Non-Covid Period

Amount in million				
Month	CIA	CPA	NCI	NCP
Chaitra_75	614.16	735.51	3489	4631
Baishakha_76	765.72	916.08	3976	5416
Jस्था_76	580.70	756.42	3552	5070
Ashad_76	629.61	975.21	4460	7597
Total	2590.19	3383.22	15477	22714

Table 2.3 shows the statics of CIA, CP, NCI & NCP for FY75/76(Normal Period). table show the normal growth in CIA, CPA NCI and NCP expect jस्था_76 apart from that its marginally growing. Detail trend is presented in Figure 2.4.

Figure 2. 4 Trend of CIA & CP for Non-Covid Period

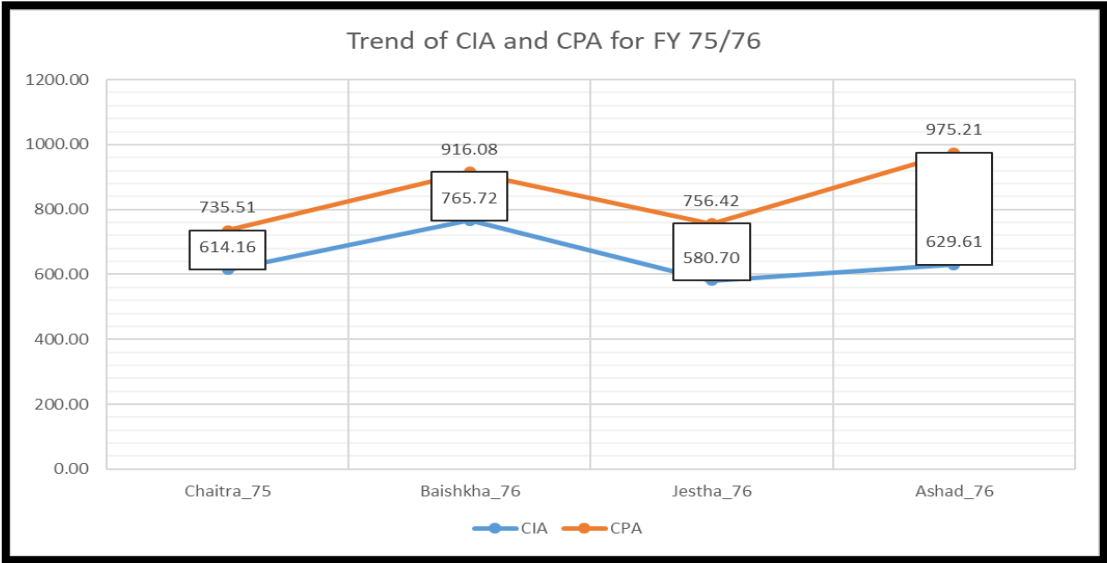


Figure 2.4 shows trend of CIA & CPA for 75/76 and up & down bar shows change in manganite of CIA and CPA in trend line over different months. Figure show normal trend and minimum change between CIA and CPA over the period.

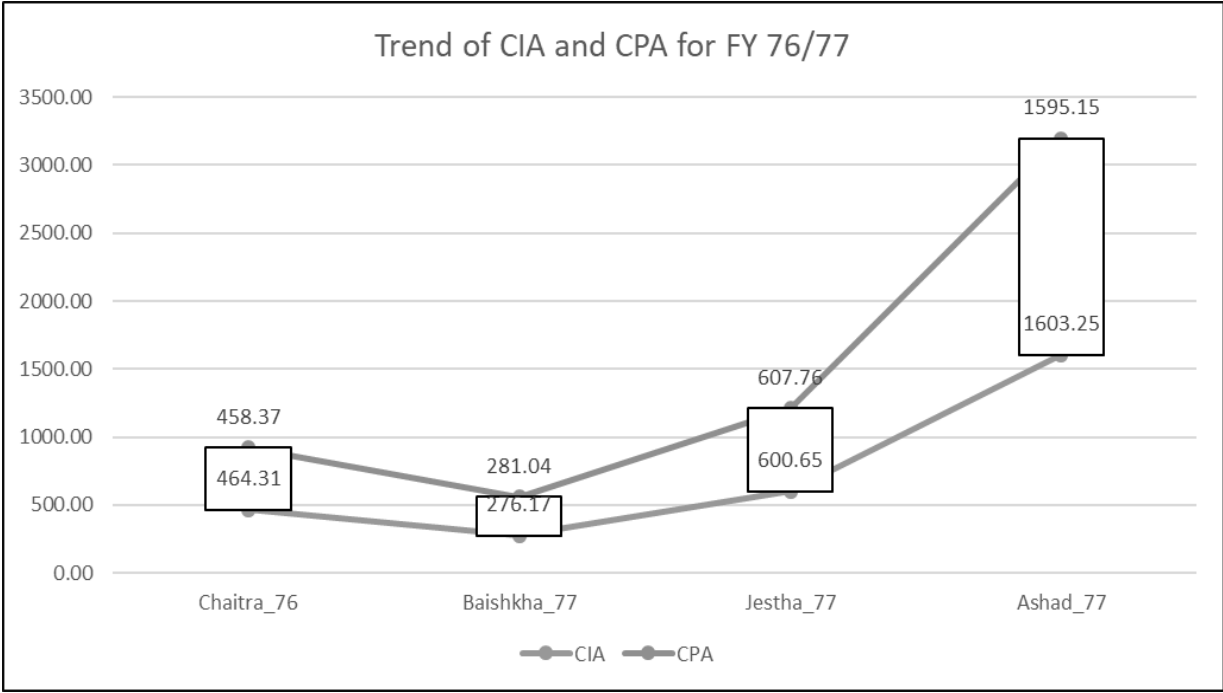
2.1.5 Trend of CIA & CPA for FY 76/77

Table 2. 4 Statics of CIA & CPA for Covid Period

Amount in million				
Month	CIA	CPA	NCI	NCP
Chaitra_76	464.31	458.37	2444	2486
Baishakha_77	276.17	281.04	1912	1964
Jestha_77	600.65	607.76	4008	3688
Ashad_77	1603.25	1595.15	9293	9295
Total	2944.38	2942.32	17657	17433

Table 2.4 represent the statics of CIA, CPA, NCI & NCP for Covid period(FY7677). Looking at the table, in Baishakha_77 Statics of CIA, CPA, NCA & NCP has drastically decreased. The reason behind this may be, the implementation of full lockdown creating Hindrance in access to insurance service in time. similarly, if we observe the Ashad & Jestha Parameter is Mounting compare with prior month it due to undeclared semi lockdown the declare end of lockdown. The above trend would be more clear in Figure presented in Figure 2.5.

Figure 2. 5 Trend of CIA & CP for Covid Period



Trend line of CIA and CPA in Figure clearly shows that crunch in month of Baishakha_77 as lockdown initiated from 9th Chaitra 2076. same as CIA and CPI is mounting to 1595.15 & 1603.25 Million respectively. CIA and CPA is show huge ups and down during four month

indicated by up & down bar in Figure 2.5. This show instability CIA and CPA resulting impact of COVID in CIA and CPA.

2.2.6 Comparative Trend Analysis of CIA and CPA for FY 75/76 & 76/77

Table 2. 5 Comparative Statics of CIA & CPA for Covid & Non-Covid period

Amount in million				
Month	CIA	CPA	NCI	NCP
Chaitra_75	614.16	735.51	3489	4631
Chaitra_76	464.31	458.37	2444	2486
Baishakha_76	765.72	916.08	3976	5416
Baishakha_77	276.17	281.04	1912	1964
Jestha_76	580.70	756.42	3552	5070
Jestha_77	600.65	607.76	4008	3688
Ashad_76	629.61	975.21	4460	7597
Ashad_77	1603.25	1595.15	9293	9295
Total	5534.57	6325.54	33134.00	40147.00

Table 2.5 shows the comparative statics of CIA, CPA, NCA and NCP to enable us to trend analysis of given parameter. In table CIA and CPA is decreasing in Covid period compare to non-Covid period expect in the month of Jestha & Ashad_77. Rapid increased in claim intimation amount and claim paid amount compare to prior month indicated the impact of Corona in claim area of life insurance.

Figure 2. 6 Trend analysis of CIA and CPA for Covid and Non-Covid Period

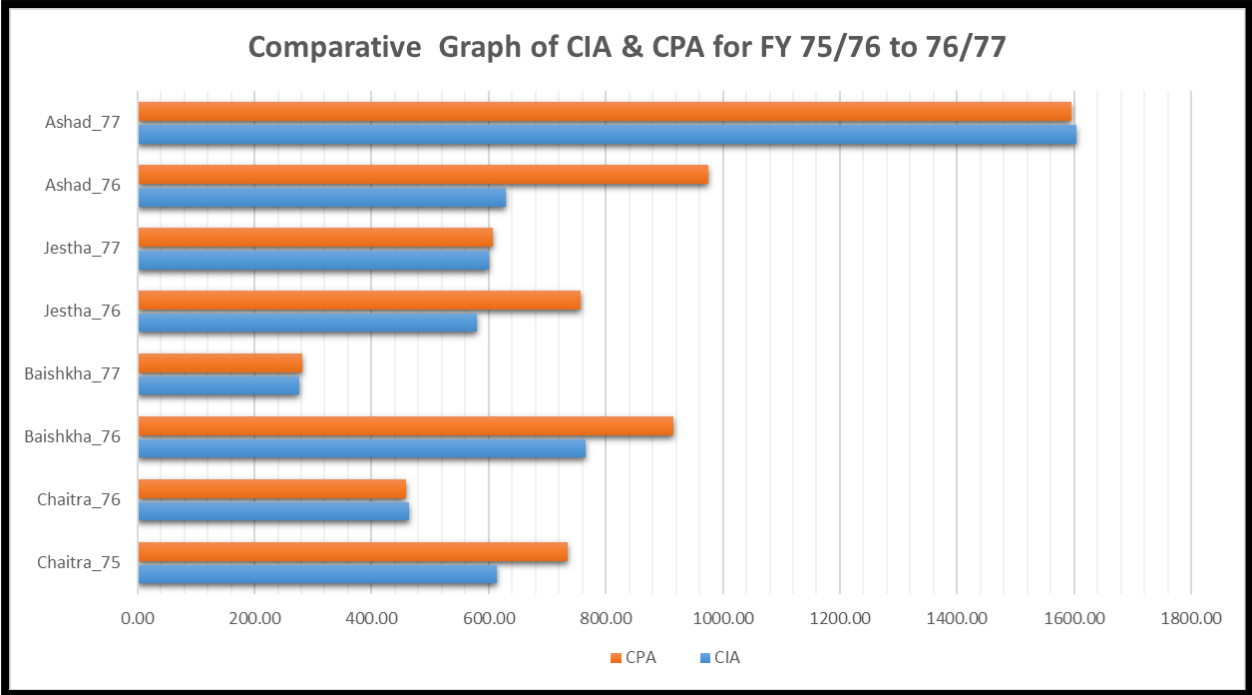


Figure 2.6 attempt explore impact of Covid in claim sector of life insurance through comparative trend analysis of Covid and non-Covid period. Figure 2.6 indicated CPA and CIA

is Decreased in Chaitra to jetha compare to non-Corona period where as CIA & CPA is increased in month of ashad_77 compare to non-Covid period indicated the slight impact of lockdown taken to prevent Covid-19 in nation.

2.2.7 Comparative Trend Analysis of NAE for FY 75/76 & 76/77

Table 2. 6 Comparative Statics of NAE for Covid and Non-Covid Period

Month	NAE
Chaitra_75	8940
Chaitra_76	1533
Baishakha_76	13015
Baishakha_77	3583
Jestha_76	13964
Jestha_77	4686
Ashad_76	19261
Ashad_77	16531
Total	81513

Table 2.6 represent comparative review of new agent enrollment in life insurance sector of Covid and Non-Covid period. Table 2.6 explore decreased in NAE in Covid period with compare to non-Covid period where as if examine the Covid period only it is constantly raising from Chaitra to ashad_77. Thus we can say that, there is certain impact of Covid on NAE but its company adoptive strategic to cop up with this situation to constant increase in NAE in Covid Period.

Figure 2. 7 Comparative Trend of NAE for FY75/76 & 77

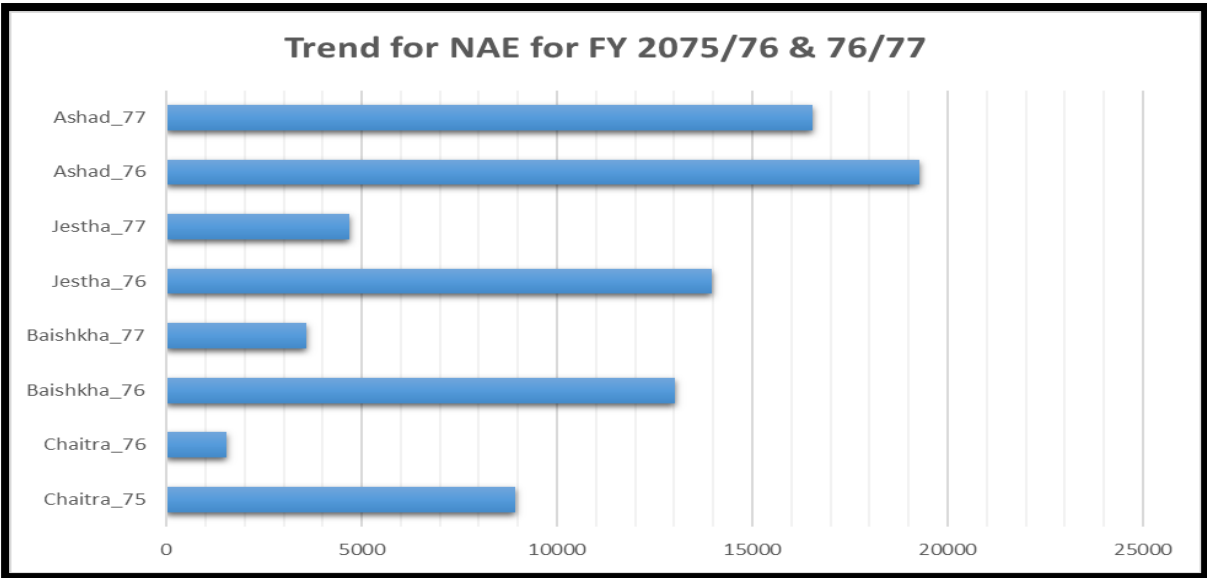


Figure 2.7 clarify the above argument in detail trend perspective. comparatively NAE decreased in Corona period due to nationwide lockdown where as if examine from lockdown stared date

to end we will find constant increased in NAE over the period it is because of use of digital platform for agent enforcement by companies.

2.2.8 Statics of NCCI, CCIA, NCCP & CCPA for Life Insurance

Table 2. 7 Statics of NCCI, CCIA, NCCP & CCPA for Life Insurance.

Month	NCCI	CCIA	NCCP	CCPA
Chaitra_76	0			
Baishakha_77	0			
Jestha_77	1	377700	1	377700
Ashad_77	4	4253400	3	2953400
Total	5	4631100	4	3331100

Table 2.7 show the death claim intimation and death claim paid due to Corona in life insurance sector over the period. here, total 5 cased are intimated out of that 4 cased are paid which seems to slightly marginal but it's only the four month of time period and detail claim it yet see.

2.2.9 Statics of ROLF and NPEROLF for Life Insurance

Table 2. 8 Detail of ROLF and NPEROLF for Life Insurance.

Company Name	ROLF	NPEROLF
Asian Life	2,502,350.00	16,682.00
Citizen Life	396,656.00	264.00
Gurash Life	3,990,913.00	8,176.00
IME Life	857,186.49	357.00
Jyoti Life	1,864,335.00	2,875.00
LIC Nepal	885,895.00	177,804.00
Mahalaxmi Life	575,553.00	576.00
Met Life	2,232.90	4,727.00
National Life	18,568,654.87	33,468.00
Nepal Life	16,120,386.00	23,113.00
Prabhu Life	833,462.00	1,346.00
Prime Life	4,159,179.00	12,430.00
RBS	4,253,269.20	11,044.00
Reliable Life	4,156,650.00	10.00
Reliance Life	1,354,607.00	1,760.00
Sanima Life	269,823.00	220.00
Sun Nepal Life	993,053.00	2,103.00
Surya Life	2,901,331.00	17,004.00
Union Life	4,220,904.39	3,567.00
Total	68,906,440.85	317,526.00

Table 2.8 represent the rebate on late fee (ROLF) for renewal and number of policyholder enjoying rebate on late fee for renewal (NPEROLF) on Corona Period instructed by Beema Samiti. The ROLF and NPEROLF is facilities given by companies to general policyholders instructed by Beema Samiti. this enable less financial burden general policyholder who are willing to renew their policy but unable due to lock down and economic crisis. amount Rs.

68,906,440.85 amount is contributed by company as rebate on late fee whereas 317526 general policyholders are enjoying rebate on late fee on renewal premium and contribution of companies on same is describe in below figure

Figure 2. 8 Contribution of Companies in ROLF and NPEROLF

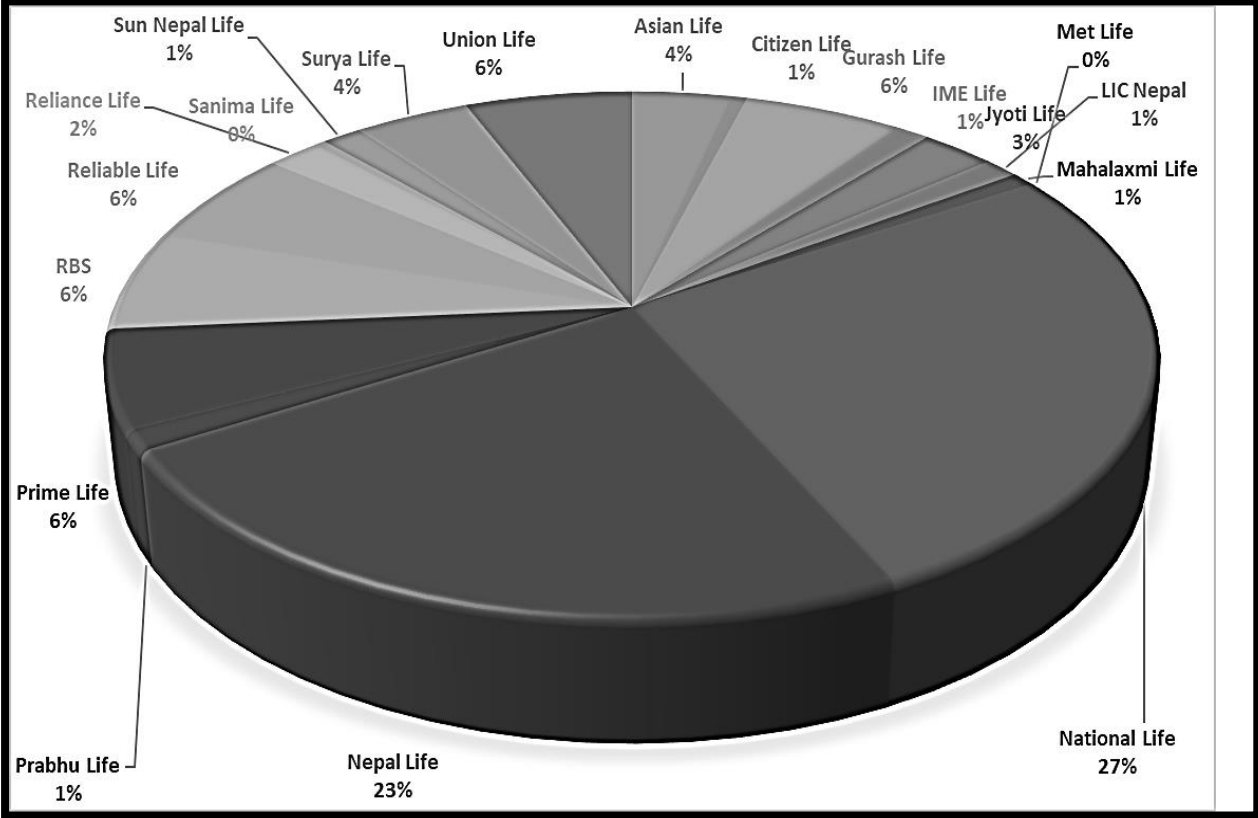


Figure 2.8 represent the companies share in ROLF and NPEROLF. Figure 2.8 represent National and Nepal life leading contribution on ROLF by 27% & 23% respectively. whereas Met life, LIC Nepal and Mahalaxmi life has list share in ROLF.

2.1.10 Comparative Statics of Number of staff and Branches.

Table 2. 9 Statics of Number Employee and Branch

Company Name	Total No of Employee as on Falgun _76	Total No of Employee as on Ashad _77	Total No of Branch as on Falgun _76	Total No of Branch as on Ashad _77
Asian Life	432.00	435.00	113.00	140.00
Citizen Life	236.00	232.00	127.00	127.00
Gurash Life	222.00	221.00	78.00	78.00
IME Life	258.00	227.00	104.00	104.00
Jyoti Life	368.00	354.00	117.00	117.00
LIC Nepal	328.00	327.00	79.00	79.00
Mahalaxmi Life	205.00	215.00	60.00	60.00
Met Life	276.00	247.00	33.00	33.00

National Life	336.00	342.00	96.00	98.00
Nepal Life	609.00	610.00	190.00	191.00
Prabhu Life	259.00	260.00	77.00	91.00
Prime Life	367.00	354.00	127.00	127.00
RBS	117.00	112.00	14.00	14.00
Reliable Life	298.00	262.00	82.00	82.00
Reliance Life	222.00	218.00	100.00	100.00
Sanima Life	158.00	147.00	74.00	64.00
Sun Nepal Life	337.00	338.00	146.00	146.00
Union Life	387.00	394.00	199.00	199.00
Surya Life	292.00	290.00	88.00	93.00
Total	5,707.00	5,585.00	1,904.00	1,943.00

Table 2.9 represent number of employee and branch during Corona and non-Corona period. Looking at table there is no significant up and down between two periods. as on Falgun_76 there are 5707 people are directly engage in life insurance sector as employee whereas there 5585 people directly engage as Ashad_77. around 122 people lost their job during Corona period. In context of branch expansion, it increasing (1904 to 1943 branches) compare to past year even it was Corona period. Similarly, in context of number of employee, drastically change is not found. This indicate there no significant impact of Corona in branch expansion and employment of life insurance sector.

Figure 2. 9 Comparative Trend Analysis of Number Employee in Corona & Non-Corona Period

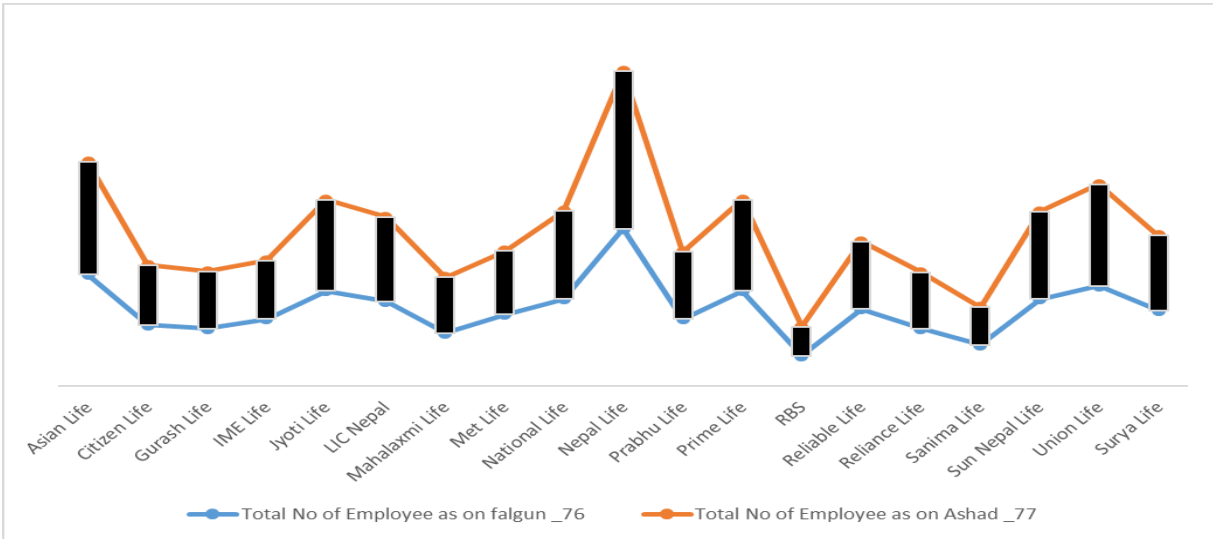


Figure 2.9 represent the comparative trend analysis of number of employee in Corona and non-Corona period. Looking at trend line of number of employee as on falgun 76 and 77 as well as up & down bar, there is no significant change between two periods. it means, there is no significant loss of job due to Corona in life insurance sector.

Figure 2. 10 Comparative Trend Analysis of Number Branches in Corona & Non Corona Period

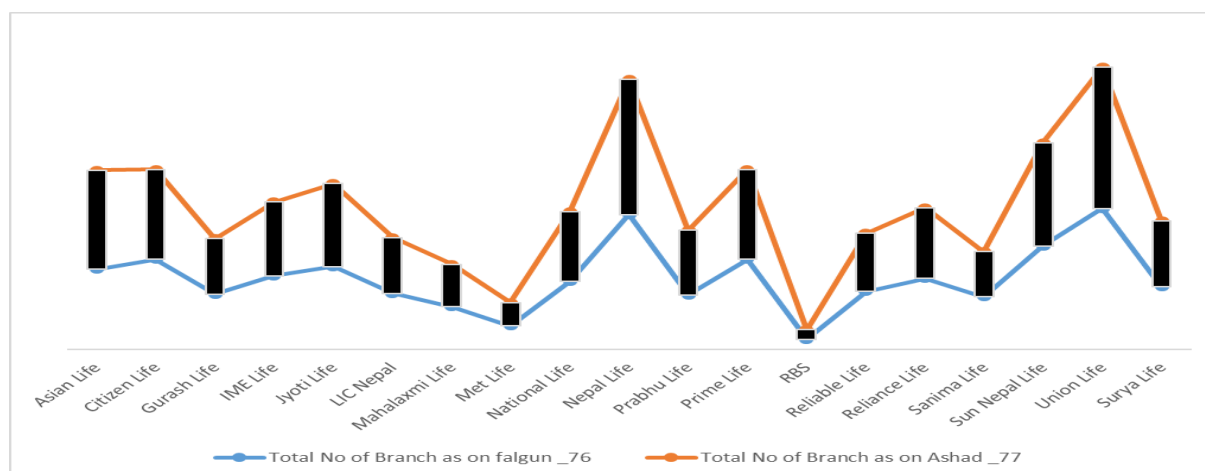


Figure 2.10 represent the trend life of number of branch as on falgun 76 and 77. trend line and up & down bar represent no branch expansion is comparatively increasing. it implies that branch expansion is in continues process even if there is Corona period or it may be huge expansion of branch before Corona in same fiscal year where now expansion in Corona period.

2.2 Non-Life Insurance Industry

This section contains comparative examination Covid Period (Q4, FY 76/77) and non Covid period (Q4, FY75/76) in other to explore impact of Covid on non-life insurance sector of Nepal.

2.2.1 Trend of NBP, RBP and TBP for FY 075/76

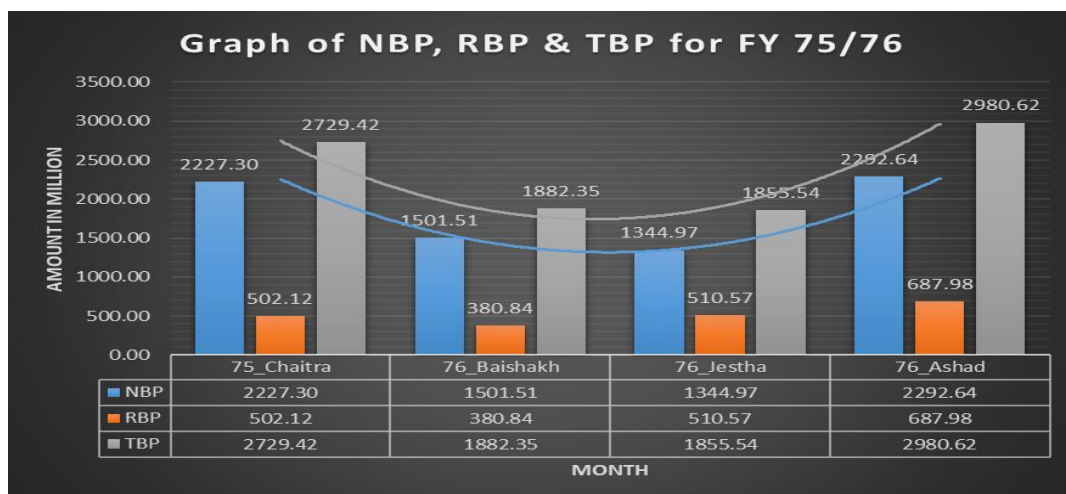
Table 2.10 represent statics of new business premium(NBP), renewal business premium(RBP) & total business premium(TBP) for FY 2075/76(Non-Covid Period). Given the statics we can explore, NBP & TBP decreasing from the month of Chaitra to jetha and increased in Ashad_76 where as RBP have different behavior, it is decreased from Chaitra to Baishakha whereas from the jetha, it is increasing to Ashad_76. the behavior of theses parameter is more clear in below figure 2.10.

Table 2. 10 Statics of NBP, RBP and TBP for Non-Corona Period

Amount in Million			
Month	NBP	RBP	TBP
75_Chaitra	2227.30	502.12	2729.42
76_Baishakh	1501.51	380.84	1882.35
76_Jestha	1344.97	510.57	1855.54
76_Ashad	2292.64	687.98	2980.62
Grand Total	7366.42	2081.51	9447.94

Figure 2.10 try to explain behavior or trend of NBP, RBP & RBP over the four month of period. examining the trend line of NBP and TBP follow same trend (Oval shape) over the period whereas RBP looks constantly increasing over the period although minor decreased in the month of Baishakha_76.

Figure 2. 11 Trend of NBP, RBP & TBP for Non-Corona Period



2.2.2 Trend of NBP, RBP and TBP for FY 076/77

Table 2. 11 Statics of NBP, RBP & TBP for Corona Period.

Amount In Million			
Month	NBP	RBP	TBP
76_Chaitra	915.62	507.83	1423.46
77_Baishakh	603.11	450.92	1054.03
77_Jestha	1338.34	650.15	1988.49
77_Ashad	3083.94	1063.11	4147.05
Grand Total	5941.015613	2672.007884	8613.0235

Table 2.11 represent statics of NBP, RBP & TBP over the period. Table explore NBP, RBP & TBP is decreased in the month of Baishakha_77 apart from that, NBP, RBP & TBP are constantly raising over the period. This trend will be more clear in below figure.

Figure 2. 12 Trend Analysis of NBP, RBP & TBP for Corona Period.

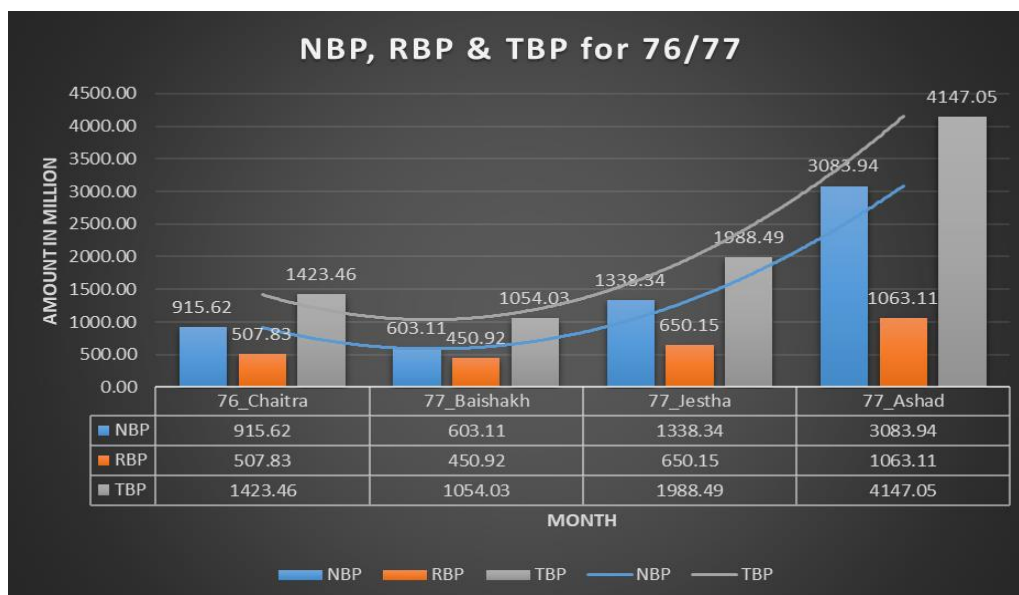


Figure 2.11 represent trend of NBP, RBP & TBP over the period. Examining trend line we can say that, all statics are decreased in month of Baishakh_77 apart from that all are in constantly growing.

2.2.3 Comparative Trend Analysis of NBP, RBP & TBP for FY 075/76 and 076/77

Table 2.12 represent comparative statics of NBP, RBP & TBP for Corona and non-Corona period. looking at the table, Statics of NBP is decreased drastically from month of Chaitra to Jestha_77 compare to non-Corona period it is because implementation of lockdown from 9 Chaitra 2076 to prevent Covid-19 Pandemic. Whereas NPB, RBP & TBP are increased in the month of Ashad_77 compare to Non Corona Period. The reason behind this may be the end of lock down from 1st of Ashad_77 as well as the companies' adoptive strategies to cop up with exiting business environment.

Same as if we examine the RBP, it not decreased as NBP but marginally (by 5 Million) decreased in month of Baishakha_77 apart from that, it is marginally increased over the Corona period compare to non-Corona period. Since, TBP is sum of NBP and RBP and NBP has greater impact on TBP, TBP Follow the behavior of NBP over the period compare to the non-Corona period.

Table 2. 12 Comparative Statics of NBP, RBP & TBP for Corona Period & Non-Corona Period

Month	NBP	RBP	TBP
75_Chaitra	2,227.30	502.12	2,729.42
76_Chaitra	915.62	507.83	1,423.46
76_Baishakh	1,501.51	380.84	1,882.35
77_Baishakh	603.11	450.92	1,054.03
76_Jestha	1,344.97	510.57	1,855.54
77_Jestha	1,338.34	650.15	1,988.49
76_Ashad	2,292.64	687.98	2,980.62
77_Ashad	3,083.94	1,063.11	4,147.05
Grand Total	7,366.42	2,081.51	9,447.94

Figure 2. 13 Comparative Trend Analysis of NBP, RBP & TBP for Corona Period & Non-Corona Period

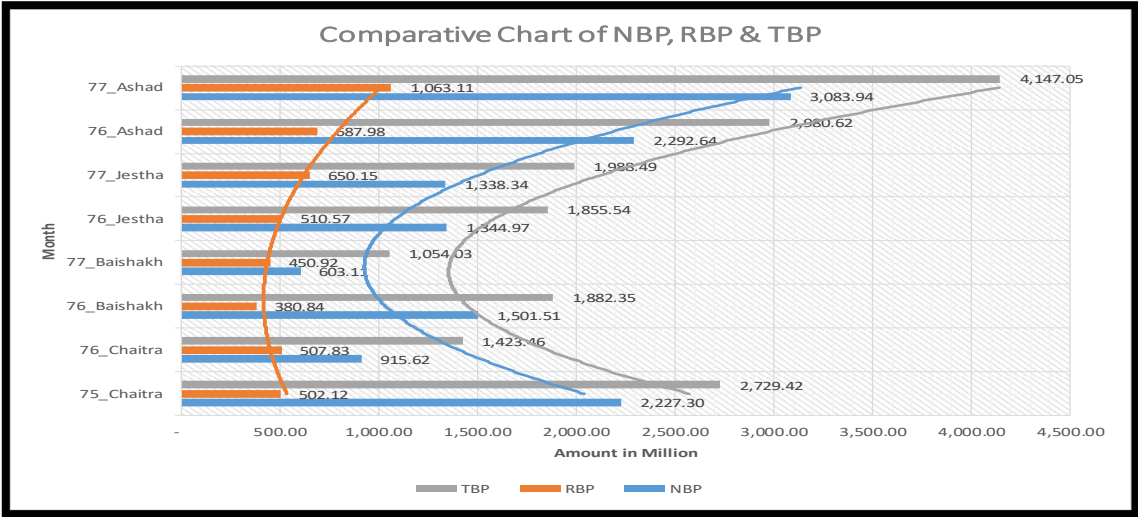


Figure 2.13 represent comparative Trend analysis of NBP, RBP & TBP for Corona and non-Corona period. Looking at the Figure of NBP & TBP follow similar trend creating U shape over the period. This implies huge drop of NBP in the month of Baishakha_77. The reason behind this may of lockdown over the nation slow down the business.

Same as if we examine the RBP, it shows continuity over the period. it shows constant minimal growth over the period creating fat oval shape trend line. This implies no significant impact of Covid in RBP during period. The reason behind might be the concession (layup period discount) on RBP instructed by Beema Samiti to general non-life policyholders.

2.2.4 Trend of CIA & CPA for FY 75/76

Figure 2. 14 Statics of CIA & CP for Non-Covid Period

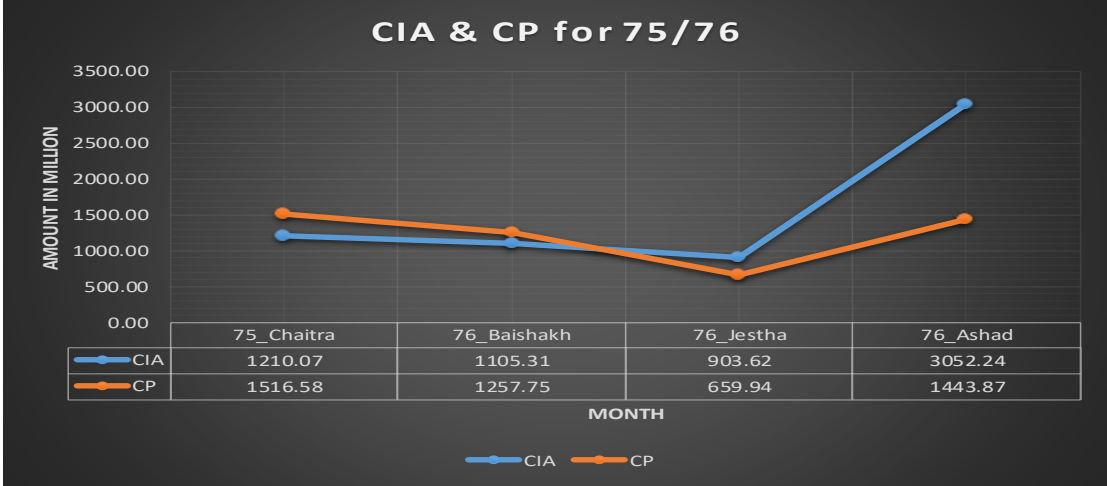


Figure 2.14 represent the static of CIA & CPA for non-Covid period where we can explore crunch in CIA and CPA trend line indicating significantly decreased in Month of jestha and expressively increased in Month of Ashad_76 creating upward stiff trend line from jestha to Ashad_76.

2.2.5 Trend of CIA & CP for FY 76/77

Figure 2. 15 Statics of CIA & CP for Covid Period

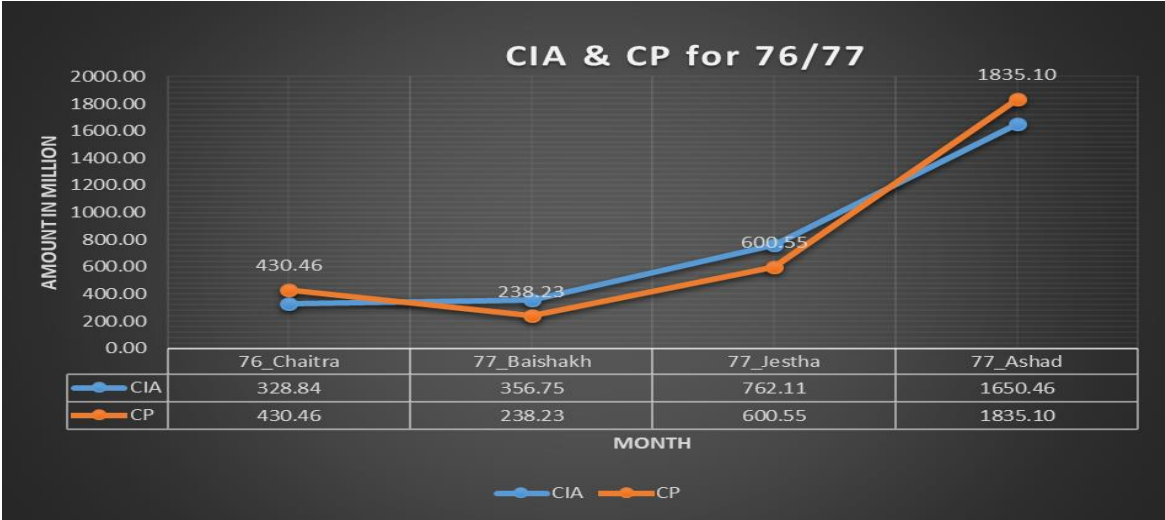


Figure 2.15 indicate trend line of CIA and CPA over the Corona Period. Comparative examination of CIA and CP trend line, claim intimation amount (CIA) is increasing rapidly whereas claim paid (CP) is decreased in month of jetha_77 and increased faster than CIA for non-life insurance sector of Nepal. The reason behind this might be impact of started and end of lockdown from Chaitra to Ashad_77 respectively.

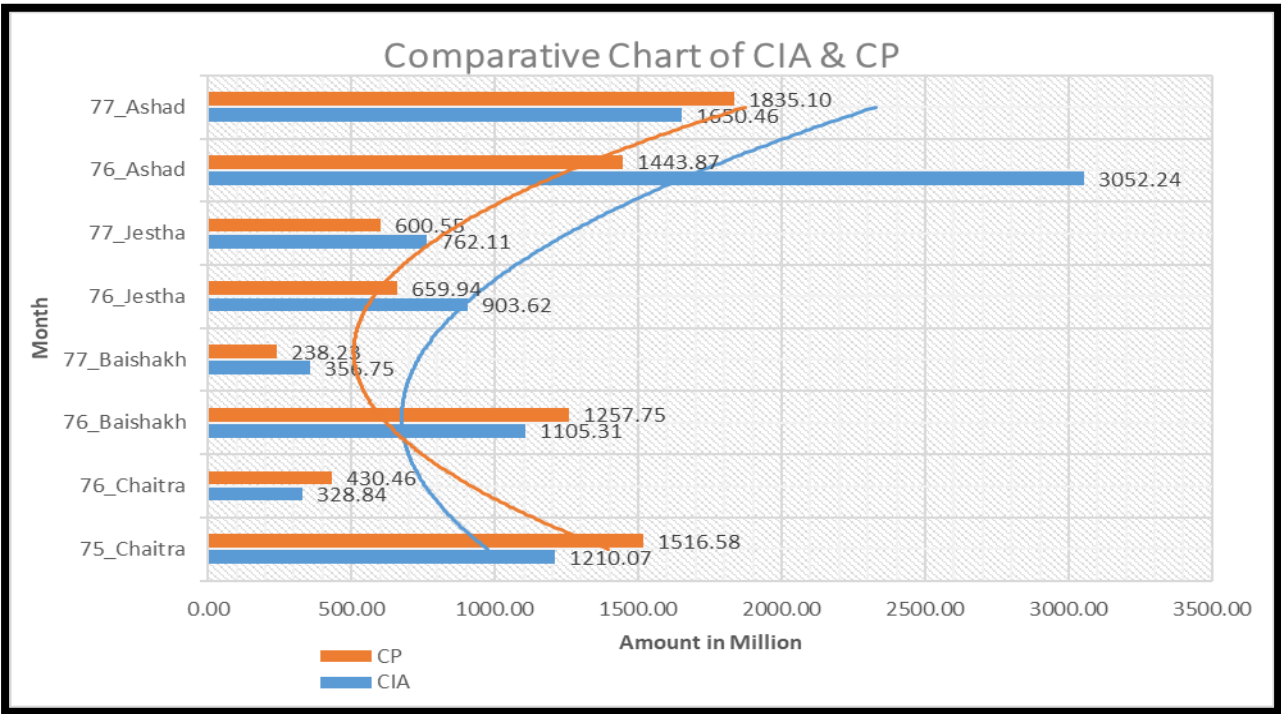
2.2.6 Comparative Trend analysis of CIA & CP for FY 75/76 & 76/77

Table 2. 13 Comparative Trend Analysis of CIA and CP

Amount in Million		
Months	CIA	CP
75_Chaitra	1210.07	1516.58
76_Chaitra	328.84	430.46
76_Baishakh	1105.31	1257.75
77_Baishakh	356.75	238.23
76_Jestha	903.62	659.94
77_Jestha	762.11	600.55
76_Ashad	3052.24	1443.87
77_Ashad	1650.46	1835.10

Table 2.13 present the comparative statics of CIA and CP over two periods (Corona & Non Corona Period). Examination of table conclude that CIA is radically decreased in Corona period compare to non-Corona period. In other hand CP is also radically decreased over the period in Corona period expect in Ashad_77 compare to non-Corona period. This will clearer in figure 2.15

Figure 2. 16 Comparative Graph of CIA and CP



Looking at Figure 2.16, Claim paid(CP) increased in month of ashad_77 compare to non-Corona period where as CIA is decreased compare to normal period. Observation of month Chaitra_76 and baishakha_77 conclude drastically lower CIA and CP compare to non-Corona period. It is because of lockdown of nation. It comparative examination of CIA conclude decreased in Corona period over than in normal period. Same as CP is also decreased in Corona period compare to non-Corona period expect in the month of asha_77. Due to Corona it is expected to increase in CIA but data showing decreased. The reason behind this may be implementation of lockdown create problem for general policy holders to claim or might be low claim itself as non-life insurance is dominated by motor insurance.

2.2.7 Lay Up Premium Discounted Detail

Table 2. 14 Statics of Lay-up Premium Discount Given by Company

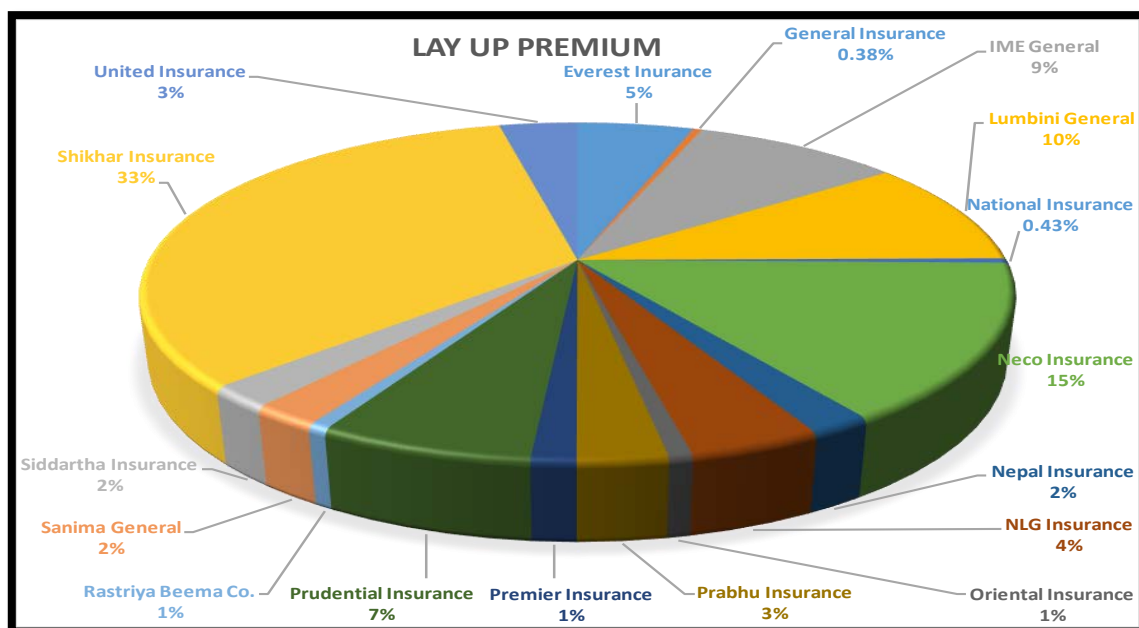
Company Name	Amount in Lakh	
	Lay UP Premium	Share In %
Everest Insurance	31.02	5.17
General Insurance	2.25	0.38
IME General	55.73	9.29
Lumbini General	59.94	9.99
National Insurance	2.61	0.43
Neco Insurance	90.44	15.08
Nepal Insurance	11.71	1.95
NLG Insurance	24.98	4.16
Oriental Insurance	4.44	0.74
Prabhu Insurance	16.91	2.82
Premier Insurance	8.44	1.41
Prudential Insurance	40.6	6.77
Rastriya Beema Co.	3.74	0.62
Sanima General	12.79	2.13
Siddartha Insurance	12.6	2.1
Shikhar Insurance	200.72	33.47
United Insurance	20.84	3.47
Total	599.73	100

Table 2.14 represent Lay-up premium discount given by non-life companies to general policyholders during the lockdown period according to circular no 25 [BI. Sa 118 (FY 2076/77) Cha. Na. 5175] issued by Beema Samiti. This enable certain financial concession to general policyholders during lockdown for renewal of their policy. Its initiation taken by Beema Companies towards general policyholders although there would be certain financial burden for companies. Here, Rs 599.73 Lakh is contributed by companies as lay-up premium discount to general policyholders.

Among that Shikhar insurance has highest share (33.47%) as it is market leader of nonlife insurance market whereas GIC Nepal have lowest contribution (0.38%) as it is new company in market. This could be more clear in Figure 2.16. Looking at the figure Neco, Lumbini

insurance have second, third contribution of lay-up period premium discount by 15% & 10% respectively.

Figure 2. 17 Lay-Up Discount Premium Detail



2.2.8 Comparative Analysis of Number of Staff of FY 76 & 77

Table 2. 15 Comparative Statics of Number of staff

Company Name	No of Staff as on Falgun 76	Number of Staff as on Ashad_77
Ajod Insurance	221	226
Everest Insurance	191	171
General Insurance	178	175
Himalyan General	180	180
IME General	287	262
Lumbini General	244	240
National Insurance	73	72
Neco Insurance	393	377
Nepal Insurance	285	276
NLG Insurance	368	369
Oriental Insurance	99	97
Prabhu Insurance	175	180
Premier Insurance	322	313
Prudential Insurance	222	206
Rastriya Beema Co.	90	88
Sagarmatha Insurance	348	353
Sanima General	99	104
Siddhartha Insurance	293	298
Shikhar Insurance	602	607
United Insurance	206	211
Total	4,876.00	4,805.00

Table 2.15 represent the number of staff as on Falgun_76 and Ashad_77 to examination of impact of COVID-19 pandemic on the nonlife insurance job sector. Looking at the table, there is 4876 employees before pandemic whereas there is 4805 employees in pandemic period (as on Ashad_77 end of Lockdown). This shows 71 people lost or resigned the job during pandemic period. It is nominal but still has impact of COVID-19 on this sector. This will be more clear in Figure 2.18.

Figure 2. 18 Comparative Graph of Number of Staff as on Falgun_76 & Ashad_77

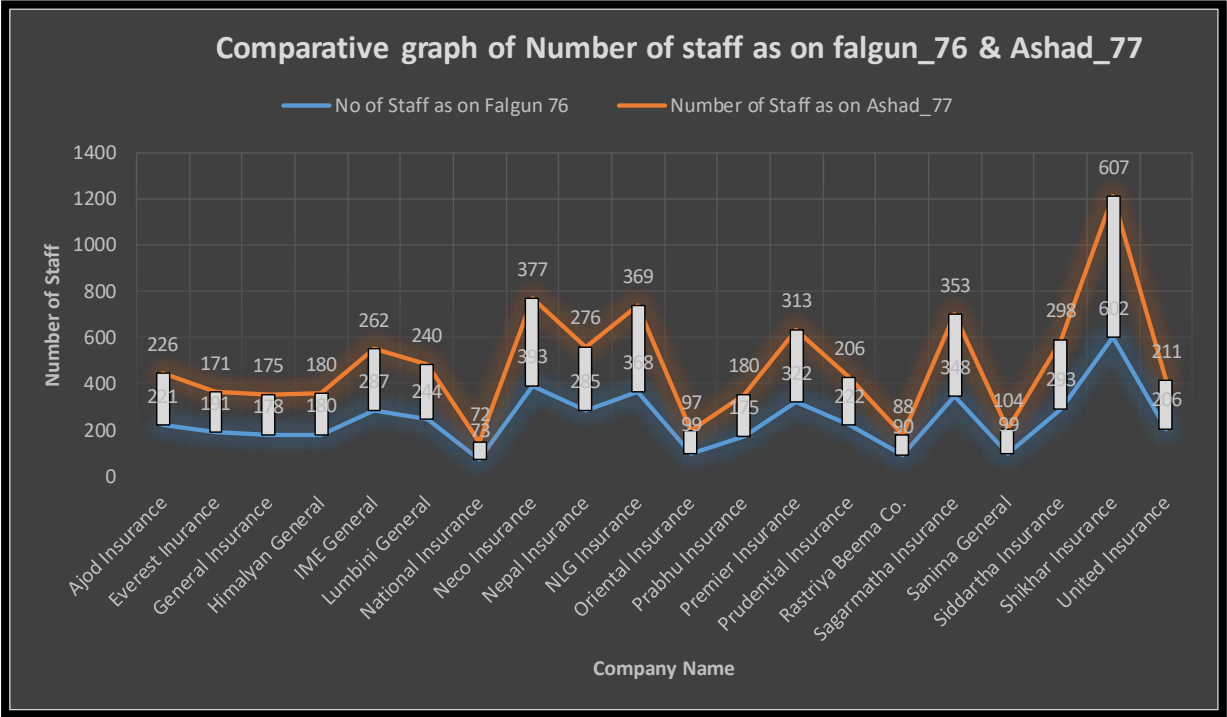


Figure 2.18 explore trend line of number staff before pandemic and during pandemic. The trend line, up & down bar indicates there is no significant change in number staff before and during pandemic although there is slight change in some companies like: IME (25), Everest (20) & Neco (16) insurance companies have slight change in number of employee hence, it might be resignation by employee itself or due to lay off. This bring another scope for our study.

2.2.9 Comparative Analysis of Number of Branch of FY 76 and 77

Table 2. 16 Comparative Statics of Number of Branch Operation as on Falgun_76 & Ashad_77

Company Name	No of Branch as on Falgun_76	No of Branch as on Ashad_77
Ajod Insurance	43	46
Everest Insurance	31	31
General Insurance	40	43
Himalyan General	28	27
IME General	54	52
Lumbini General	46	46
National Insurance	12	12

Neco Insurance	56	60
Nepal Insurance	53	53
NLG Insurance	81	81
Oriental Insurance	14	14
Prabhu Insurance	51	51
Premier Insurance	60	67
Prudential Insurance	43	38
Rastriya Beema Co.	16	16
Sagarmatha Insurance	276	276
Sanima General	22	22
Siddhartha Insurance	83	83
Shikhar Insurance	96	96
United Insurance	31	31
Total	1,136.00	1,145.00

Table 2.16 represent the number of branch operated before Covid-19 pandemic and during pandemic (As on Ashad_77). The motive of this table to give clear sight on impact of Corona on branch expansion of nonlife insurance companies. Looking at the table we can say there is no direct impact of impact on branch expansion activities of general companies hence it should not be bottom line of impact of Corona on branch expansion as date are taken for only two periods. But by given limitation of these data we can say there is no significant impact on branch expansion.

Figure 2. 19 Comparative Trend Line of Number of Branch Operation as on Falgun_76 & Ashad_77

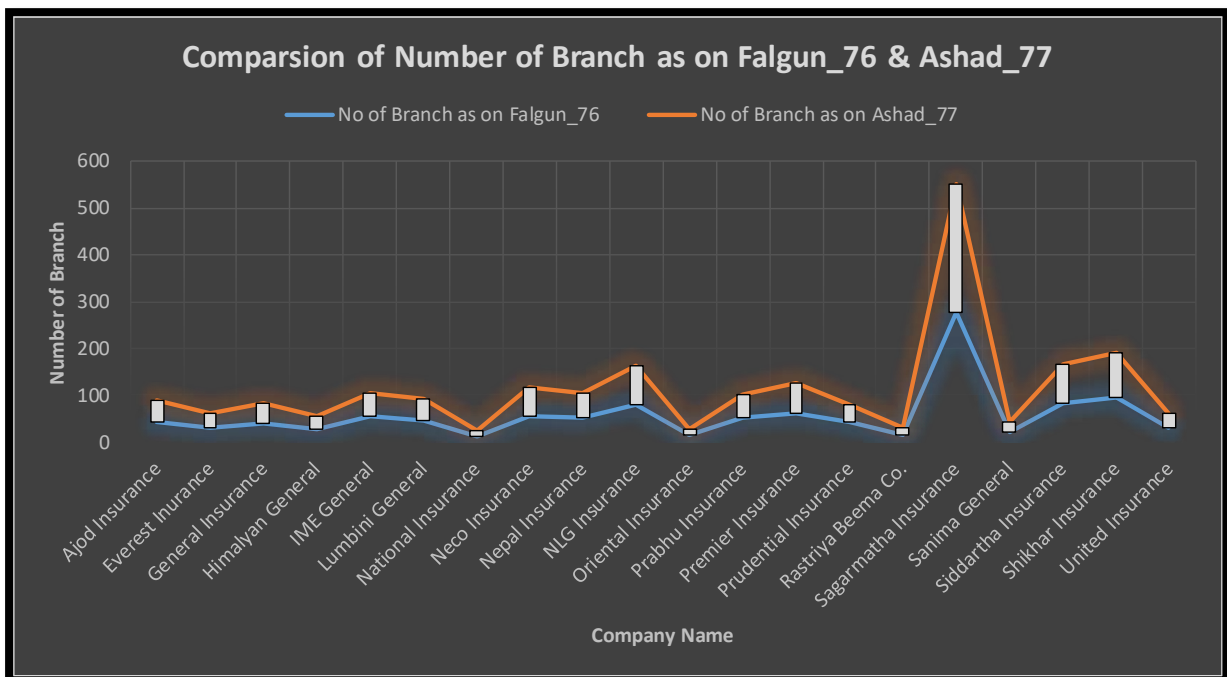


Figure 2.19 represent trend line of number of branch operated before Covid-19 pandemic and during pandemic (As on Ashad_77). Examination of these two trend line as well as up & down

bar we can say that there is no significant change in number branch operation although there are slightly increased in number branch operation as whole in industry during the pandemic period compare to previous period. This Slight growth may be natural growth or below natural growth which is yet to discover.

2.2.10 Trend Analysis of Corona Policy

Table 2. 17 Province Wise Statics of Corona Policy and Premium Detail as on Ashad_77

Provence	No of Corona Policy	Corona Policy Premium
BAGMATI PRADESH	95,687.00	196,977,980.00
GANDAKI PRADESH	13,169.00	26,040,209.00
KARNALI PRADESH	2,626.00	3,959,700.00
PROVINCE 1	21,429.00	56,974,000.00
PROVINCE 2	4,591.00	10,734,720.00
PROVINCE 5	19,330.00	35,071,400.00
SUDERPASCHIM PRADESH	2,836.00	5,100,200.00
Total	159,668.00	334,858,209.00

Table 2.17 present the number of Corona policy issue and premium according to Provence of nation as on ashad_77. Examination of table 2.18, we can conclude that Bagamati Pradesh has issued highest number of Corona policy and collected highest Corona policy premium as on Ashad_77 where as Karnal Pradesh has lowest in terms of number of policy issue and premium. This implies companies have high risk exposure in bagamati Pradesh and low in Karnali pardesh interms of number of policy issue is Corona infection ratio is increased in Bagamati Pardesh hence till Ashad_77 there less Corona infected in bagamati Pradesh compare to other.

Figure 2. 20 Province Wise Chart of Corona Policy & Premium Detail as on Ashad_77

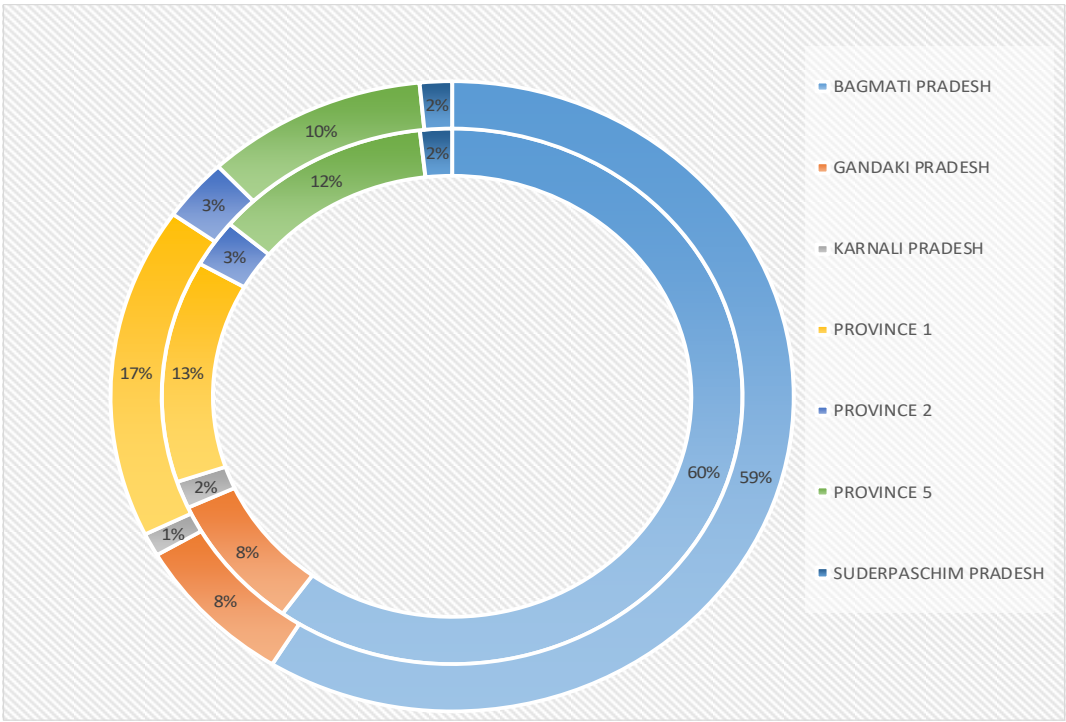


Figure 2.20 present the number of Corona policy issue and premium according to province. Here outer circle represents the Premium amount according to province wise and inner circle indicate number of Corona policy issued according to province wise as on Ashad_77. Looking at figure we can say that Bagmati Pradesh have lead in term of number and premium whereas Karnali Pradesh has lowest in terms of number and premium.

Table 2. 18 Province Wise Statics of Corona Policy Claim as on Ashad_77

Province	NCCI	CCIA	NCCP	Corona Claim paid
BAGMATI PRADESH	12.00	1200000.00	8.00	800000.00
GANDAKI PRADESH	2.00	200000.00	1.00	100000.00
KARNALI PRADESH	1.00	100000.00	1.00	100000.00
PROVINCE 1	2.00	200000.00	1.00	100000.00
PROVINCE 2	1.00	100000.00	0.00	0.00
PROVINCE 5	5.00	500000.00	3.00	300000.00
SUDERPASCHIM PRADESH	0.00	0.00	0.00	0.00
Total	23.00	2300000.00	14.00	1400000.00

Table 2.18 present province wise number of Corona claim intimation(NCCI), Corona Claim intimation amount(CCIA), Number of Corona claim paid(NCCP) and Corona Claim Paid amount as on ashad_77. Table clarify that, Bagamati Pardesh has highest number of claim intimation and claim paid where has province two has zero number of claim intimation and paid. Till ashad_77. 23 claim worth 2300000 amount are intimated whereas 14 claim worth 1400000 amount are paid.

Table 2. 19 Company Wise Statics of Number and Premium of Corona Policy as on 10/09/2020

S.No.	Company	No of Policies	No of Insured	Premium
1	Ajod	10,662	81,885	47,046,700
2	Everest	3,715	43,493	24,322,180
3	GIC	5,883	40,794	24,086,500
4	Himalayan	12,792	66,515	37,698,609
5	IME GI	6,311	64,263	36,432,440
6	Lumbini	5,699	34,362	26,506,800
7	National	1,472	19,179	9,245,800
8	Neco	9,916	75,094	42,490,438
9	Nepal	5,486	34,251	19,942,020
10	NLG	5,809	52,852	29,291,600
11	Oriental	2,121	19,752	10,777,810
12	Prabhu	2,421	35,389	17,944,600
13	Premier	7,870	58,929	33,310,500
14	Prudential	1,496	22,808	10,971,040
15	Rastriya B.C.	9,102	370,469	222,403,033
16	Sagarmatha	17,382	131,477	76,055,735
17	Sanima	2,056	17,727	10,132,400

18	Shikhar	27,363	205,299	112,647,600
19	Siddhartha	9,920	105,042	60,262,000
20	United	2,674	35,276	18,453,100
Total		150,150	1,514,855	870,020,905
As on 10/9/2020 AD				

Table 2.19 present company wise statics of number of policy issued number of insured and premium as on 10/09/2020. In total 1514855 people are insured under Corona policy by collecting **870020905** amount as on 10/09/2020 AD. Among that, Rastriya Beema Company and Shikhar Insurance Company has highest number of insured and premium collection record as on 10/09/2020. This indicate that if any default happens these companies have highest risk exposures' and vice versa. Hence Corona policy is initiated with motive of social welfare and penetration of insurance across the nation it might have positive impact on insurance awareness. This presentation will be more clear with help of figure 2.21 given below:

Figure 2. 21 Company Wise Chart Corona Policy Premium Detail as on 10/09/2020 AD

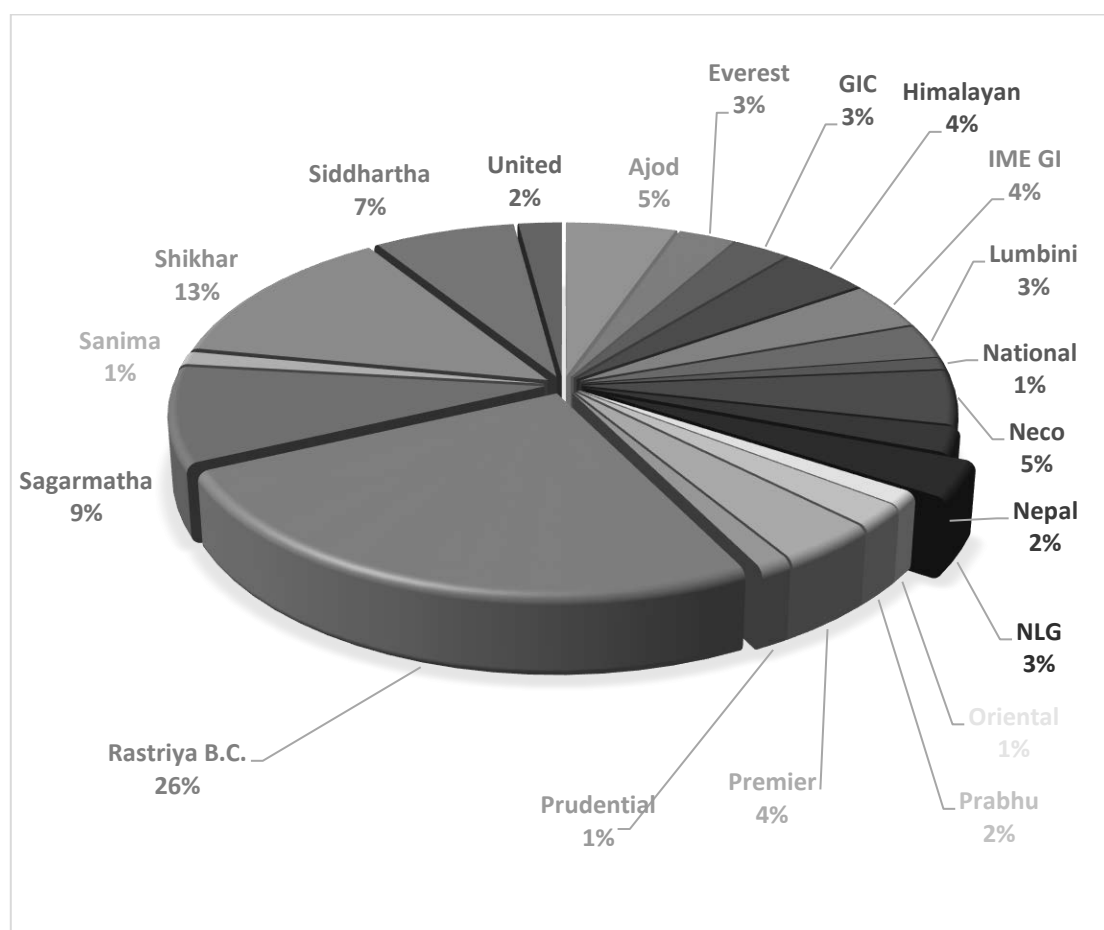


Figure 2.21 present statics of Corona policy premium collection share as on 10/09/2020. Looking at the figure 2.20 we can say that Rastriya Beema company has highest share in premium collection detail followed by Shikhar and Sagarmatha insurance company.

Table 2. 20 Company Wise Statics of Number and Amount of Corona Policy Claim as on 10/09/2020

S. No.	Company	Total Claim Paid				Outstanding Claim				CCP	CCOS
		50000		100000		50000		100000			
		NCCP	Amount	NCCP	Amount	NCCOS	Amount	NCCOS	Amount		
1	Ajod	17	700,000	88	8,800,000	31	1,700,000	156	15,600,000	9,500,000	17,300,000
2	Everest	9	450,000	25	2,500,000	73	3,650,000	209	20,900,000	2,950,000	24,550,000
3	GIC	-	-	6	600,000	8	400,000	88	8,800,000	600,000	9,200,000
4	Himalayan	10	500,000	69	6,900,000	55	2,750,000	377	37,700,000	7,400,000	40,450,000
5	IME GI	24	700,000	56	5,600,000	7	500,000	432	43,200,000	6,300,000	43,700,000
6	Lumbini	1	50,000	52	5,200,000	5	250,000	262	26,200,000	5,250,000	26,450,000
7	National	2	100,000	9	900,000	18	900,000	75	7,500,000	1,000,000	8,400,000
8	Neco	12	600,000	100	10,000,000	91	4,550,000	549	54,900,000	10,600,000	59,450,000
9	Nepal	1	50,000	49	4,900,000	7	350,000	178	17,800,000	4,950,000	18,150,000
10	NLG	2	100,000	17	1,400,000	34	1,700,000	301	30,400,000	1,500,000	32,100,000
11	Oriental	7	350,000	21	2,100,000	48	2,400,000	135	13,500,000	2,450,000	15,900,000
12	Prabhu	1	50,000	20	2,000,000	5	250,000	293	29,300,000	2,050,000	29,550,000
13	Premier	-	-	37	3,700,000	11	550,000	256	25,600,000	3,700,000	26,150,000
14	Prudential	16	800,000	33	3,300,000	20	1,000,000	99	9,900,000	4,100,000	10,900,000
15	Rastriya B.C.	-	-	12	1,200,000	-	-	1,250	125,000,000	1,200,000	125,000,000
16	Sagarmatha	-	-	24	2,400,000	13	650,000	491	49,100,000	2,400,000	49,750,000
17	Sanima	1	50,000	7	700,000	6	300,000	145	14,500,000	750,000	14,800,000
18	Shikhar	5	250,000	152	15,800,000	74	3,700,000	923	91,700,000	16,050,000	95,400,000
19	Siddhartha	2	100,000	99	9,900,000	1	50,000	296	29,600,000	10,000,000	29,650,000
20	United	-	-	43	4,300,000	117	5,850,000	301	30,100,000	4,300,000	35,950,000
	Total	110	4,850,000	919	92,200,000	624	31,500,000	6,816	681,300,000	97,050,000	712,800,000
As on 10/9/2020 AD											

Table 2.20 present company wise Corona claim paid and Corona claim outstanding as on 10/09/2020. Table indicate as on 10/09/2020 amount Rs 9705000 is paid as claim among 1029 people whereas 7440 peoples' claim is outstanding with worth of amount Rs .712800000 as on 10/09/2020. For better understanding figure 2.22 will help.

Figure 2. 22 Company Wise chart CCP and CCOS as on 10/09/2020 AD

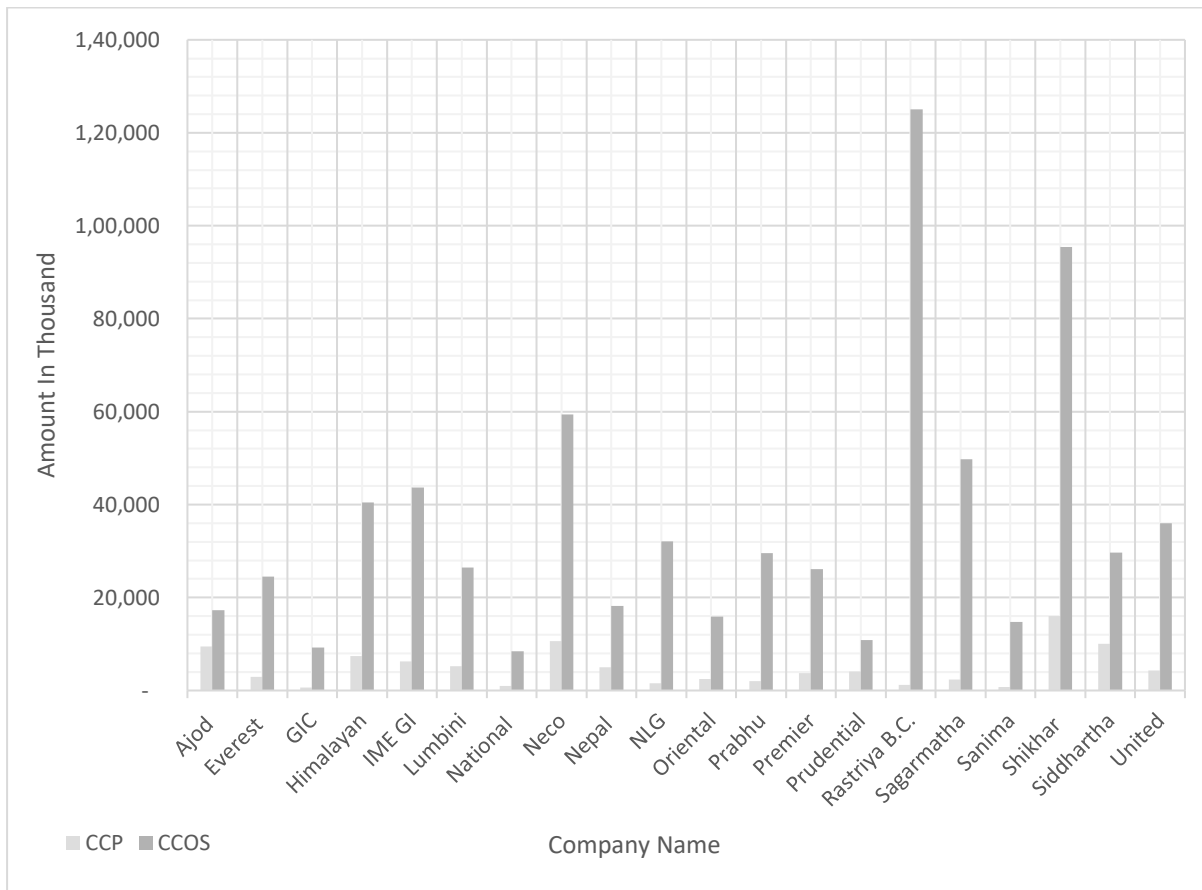


Figure 2.22 help us to know CCP and CCOS detail as on 10/09/2020. According to figure RBC has highest Claim out standing with 4 lowest claim paid ratio. Here, if observe Shikhar insurance has second highest claim outstanding followed by Neco and Sagarmatha insurance. If observe claim paid, Shikhar have highest paid list where as GIC has lowest paid detail due to lowest policy sell. Here RBC, Shikhar, NECO, Sagarmatha has highest risk exposer in terms of claim payable outstanding compare to other.

2.3 Reinsurance

This section contains the examination of impact of Covid-19 pandemic in reinsurance sector of Nepal. To do so, report collect statics from Nepal reinsurance company and questionnaire collected from company.

2.3.1 Comparative Analysis of Reinsurance Premium

Table 2. 21 Comparative Statics of Reinsurance Premium from Life and Non-Life

SN	Month	Reinsurance Premium from Life	Change in %	Reinsurance Premium From Non-Life	Change in %
1	Chaitra_75	40,451,385.85	(44.78)	1,393,006,378.14	(94.89)
5	Chaitra_76	22,336,840.00		71,215,807.70	

2	Baishakha_76			52,018,436.62	497.78
6	Baishakha_77			310,958,199.38	
3	Jestha_76			193,733,837.26	338.41
7	Jestha_77			849,342,869.72	
4	Ashad_76	118,095,332.44	53.92	2,101,823,591.05	17.73
8	Ashad_77	181,768,590.07		2,474,481,999.70	
	Total	362,652,148.36		7,446,581,119.57	

Table 2.21 present the reinsurance premium collected from life and non-life sector by Nepal-re for Corona (FY 76/77) and non-Corona period (FY75/76). Looking at the table we can say that reinsurance premium of life and non-life in decreased in Corona period compare to non-Corona period. Whereas if we observe in month of Baishakha to Ashad_77 reinsurance premium is increased by 44.78% and 53.93% respectively in life where as 497.78%, 338.41% & 17.73 % respectively in nonlife compare to non-Corona period. This indicate there no significant impact of Covid-9 pandemic in premium collection sector of Nepal-re as on Ashad_77. The reason behind this may be monopoly of Nepal Re in Nepali Insurance sector and it is too early to identify the impact of Covid-19, the detail impact on reinsurance is yet to discover

2.3.2 Comparative Analysis of Reinsurance Premium

Table 2.22 represent the comparative data of Claim paid to life and nonlife sector during Corona period and non-Corona period. This table attempt to through light on impact of Covid-19 pandemic on claim of Nepal re. Chaitra_76's claim decreased by 99.50% in nonlife sector compare to non-Corona period but Baishakha_77 onward claim in increased in both life and nonlife sector compare to non-Corona period. Nonlife sectors claim is increasing rapidly till Ashad_77 compare to non-Corona period and life insurance sector claim is increased from jestha_77 onward compare to non-Corona period. The reason behind might be impact of Covid-19 or it might be the natural growth. Hence looking at data of Baishakha & Jestha_77 the gigantic increased might be the hit of Corona in Nepalese insurance market.

Table 2. 22 Comparative Statics Claim Paid of Life & Non-Life Sector

S.N.	Month	Claim Paid_Life	Change in %	Claim Paid_Non-Life	Change in %
1	Chaitra_75	22,076,826.80		381,859,300.64	(99.50)
5	Chaitra_76	-		1,922,512.32	
2	Baishakha_76	-		9,810,894.82	465.90
6	Baishakha_77	-		55,519,829.32	
3	Jestha_76	5,288,932.00	208.67	132,290,625.87	236.54
7	Jestha_77	16,325,266.50		445,214,738.14	

4	Ashad_76	45,227,167.90	44.24	807,376,172.19	14.13
8	Ashad_77	65,237,648.13		921,489,727.32	
	Total	154,155,841.33		2,755,483,800.62	

2.3.3 Comparative Analysis of Retro Session and Facultative Premium

Table 2. 23 Comparative Statics Retro Session and Facultative Premium Out ward

SN	Quarter	Retro session Premium	Facultative Premium outward
1	Q4_76	405,749,373.68	24,103,934.28
2	Q4_77	355,992,562.66	5,604,300.80
	Total	761,741,936.34	29,708,235.08

Retro-session Premium refers to reinsurance premium income received from foreign reinsurance company where as facultative premium outward refers to reinsurance premium given by Nepal Re to foreign reinsurance premium for risk transfer of his own.

Table 2.23 present comparative statics of retro session and facultative premium outward of Nepal Reinsurance Company. Examination of table 2.23 indicate decreased in retro session premium by 12% and facultative premium outward by 76.75% in Corona period compare to non-Corona period. This indicate significant impact of COVID-19 pandemic in Nepali insurance sector as Facultative premium outward is hugely dropped.

2.3.4 Analysis of Reinsurance Renew for FY 76/77

Study Prepare questionnaire to know about reinsurance renew status and change in terms and condition for renew. Analysis of the questionnaire concludes, renew of reinsurance treaty without drastically change in terms and condition as in non-Corona period in context of life insurance' companies. whereas in context of non-life companies most of the companies have renewed the reinsurance treaty with upgraded terms and conditions with compare to non-Corona period. this indicate the impact of Covid-19 pandemic on global reinsurance sector.

2.4. Strategies Analysis of Growth and Development of Insurance Companies During and after Corona Pandemic.

Study collect the strategies and Action plan for during the Corona period and for after the Corona period for growth and expansion of business from each company. among that, common operation plans and strategies are presented below:

2.4.1 Analysis of companies' Operation Plans During Corona Period

Most of the companies has initiated internal guidelines and circular for operation of companies during Corona period. Common point on operation guideline taken by companies are presented below:

Safety Measures Taken

- **Limited Number of Employees at Workplace and Physical distance:** To avoid employee crowd at work place, management has assigned minimum number of employees at workplace.

Employees special work schedule has been implemented in such a way that the regular service delivery will continue without any hindrance due to the presence of limited number of employees at work place through maintaining Physical distance.

- **Work from Home:** Work from home practice has been implemented to avoid the unnecessary outdoor movement of employees. Employees of almost all department can perform their duty from home having access to company's official email domain and web-portal.

Safety practice at work place:

For Employees:

- Body temperature measurement of the employees at workplace is done regularly.
- masks and face shield is compulsory during work hour
- Sanitize the office in weekly and on need base.
- Employees with any Covid19 like symptoms e.g. sneezing, fever, headache are advised to stay at home and work from home.
- Employees with Covid19 positive confirm has been assigned for paid leave and join office after their recovery.
- Compulsory use of mask at work place and frequent use of sanitizer or hand wash is implemented for employees.

For Outsiders/Customer:

- Maximum precautions have been taken to avoid the chances of transmission of Covid19 at workplace though physical and safety major.
- entry of outsiders is limited to the Open space and one by one system.
- For branch/sub branch office compulsory sanitization or hand wash is in practice for the outsiders.
- The security guard has been provided with safety equipment (Surgical Gloves, Surgical Mask, Surgical Goggles).
- Physical distance between employees within department has been fully maintained.
- Compulsory use of mask and sanitizer or hand wash to enter office area.

2.4.2 Strategies for Company's Growth after and During the Corona Period.

The impact of Corona in market will remain longer. It is challenge for all insurer to continue to generate new business with employing safety guideline and encouraging general people to regularly pay their insurance premium in this environment. To overcome the challenges, companies has adopted the different Strategies for the continuation and growth of business among that, some common strategies initiated by companies are listed below:

Motivational Strategies

Since the situation is abnormal, motivation of employees is taken into top priorities to ensure smooth delivery of life insurance services to the clients and agency member.

- **Motivational Package for employees:** performance based cash and career development incentive schemes to the employees. The incentive scheme will be helpful to motivate employees to contribute maximum for the growth of the company and their personal goal as well.
- **Insurance Coverage for Employees:** The personal security of employee is must to ensure that their level of motivation is consistently high. for that, company has provided them the package of Covid-19 insurance and Term Insurance.

Operational Strategies

- **Online Training:** Employees from all the branch office and sub branch office along with the head office are consistently made engaged in knowledge sharing and learning through online based training. skype/zoom/Team like social media platform for the regular interaction, training and orientation for the employees.
- **Online Meeting:** Regular and periodical meetings are conducted through online with the concerned Branch managers to review their performance and get input from them for the improvement of delivery from Head Office or top level management. Such meetings are found quite fruitful for the valuable input in policy level.
- **Work from Home:** Since presence of employees at office is not possible during the pandemic, the company has motivated employees to perform their duties from their home too. Alternative duty schedule developed and executed to ease employees for work from office and work from home.

Promotional Strategies:

- **Online Training for Agency promote Online Insurance Business.** Online training for existing and new agency members has been arrange to ensure active participation of agency members in business development.
- **Interest Waiver Scheme:** Interest waiver scheme for lapsed policy has been implemented to ease the life insured for the payment of renewal premium. And the company has also provided interest waiver against the policy loan.
- **Build sound insure Tech and techno-friendly employee for competitive advantage.**

SECTION THREE: SUMMARY, CONCLUSION AND RECOMMENDATION

3.1 Summary of Report

This report investigates the impact of Covid-19 on insurance sector of Nepal. For in-depth study it classified into non-life, life and reinsurance sector. Data are collected by Beema samiti from insurance company directly for the period of Chaitra 2075 BS to Ashad 2076 BS (Non-Corona period) and Chaitra 2076 BS to Ashad 2077 BS (Corona Period) in monthly basis to investigate the comparative trend analysis between the two period to explore impact of Covid-19. Report will do comparative trend analysis of different variable over the two period of time to examine the impact of Covid-19 in insurance sector. for that, the study used Microsoft Excel 2016 for data analyses and presentation of the study findings.

3.2 Conclusion

The report was conducted with a view to examine the impact of Covid-19 on insurance sector of Nepal. The major findings of the report are classified into three sector which are listed below:

Life Insurance Sector:

- In life insurance Premium collection sector, FPI, RPI and TPI has changed marginally expect FPI is drastically drop in Chaitra_76 and Baishakha_77 compare to prior non-Covid period apart from that all are in normal trend. This indicate there no significant impact of Covid-19 pandemic in life insurance premium collection Sector. Hence, certain significant impact has been there in FPI of life insurance.
- CIA and CPA is decreased except in the month of Jesth_77& Ashad_77 in Covid period compare to non Covid period. expect in the month of jestha & Ashad_77. Rapid increased in claim intimation amount and claim paid amount in month of Jestha and Ashad_77 compare to prior month indicated the initial impact of COVID-19 pandemic in claim area of life insurance.
- NAE decreased in Corona period compare to non-Corona period due to nationwide lockdown. Examination from lockdown started date to end date report find constant increased in NAE over the Corona period it is because of use of digital platform for agent enforcement by companies.
- Rs. **68,906,440.85** amount is contributed by company as rebate on late fee whereas 317526 general policyholders are enjoying rebate on late fee on renewal premium during the lockdown as instructed by Beema Samiti.
- Branch expansion of life insurance is increasing (1904 to 1943 branches) compare to past year even it was Corona period. Similarly, in context of number of employee, drastically change is not found. this indicate there no significant impact of Corona in branch expansion and employment of life insurance sector.

Non-Life Insurance Sector

- NBP has decreased drastically from month of Chaitra to Jestha_77 compare to non-Corona period. it is because implementation of lockdown from 9 Chaitra 2076 to prevent Covid-19 Pandemic. whereas NPB, RBP & TBP are increased in the month of Ashad_77 compare to Non Corona Period. the reason behind this may be the end of lock down from 1St of Ashad_77 as well as the companies' adoptive strategies to cop up with exiting business environment. RBP shows continuity over the period. it shows constant minimal growth over the period creating flat oval shape. this implies no significant impact of Covid in RBP during period. the reason behind might be the concession (layup period discount) on RBP instructed by Beema Samiti to general non-life policyholders Since, TBP is sum of NBP and RBP and NBP has grader impact on TBP, TBP Follow the behavior of NBP over the period compare to the non-Corona period.
- Comparative examination of CIA, conclude decreased in Corona period over than in normal period. Same as CP is also decreased in Corona period compare to non-Corona period expect in the month of Ashad_77. Due to COVID-19 Pandemic it is expected to increase in CIA but data showing decreased. The reason behind this may be implementation of lockdown create problem for general policyholders to claim or might be low claim itself as non-life insurance is dominated by motor insurance and vehicles are not operated during lockdown.
- According to circular no 25 [Bi. Sa 118 (FY 2076/77) Cha. Na. 5175] issued by Beema Samiti. Amount Rs 599.73 Lakh is contributed by companies as lay-up premium discount to general policyholders to enable certain financial concession to general policyholders during lockdown for renewal of their policy. Among that Shikhar insurance has highest share (33.47%) as it is market leader of nonlife insurance market whereas GIC Nepal have lowest contribution (0.38%) as it is new company in market.
- There are 4876 employees before pandemic whereas there is 4805 employees in pandemic period (as on Ashad_77 end of Lockdown). This shows 71 people lost or resigned the job during pandemic period. It is nominal but still has impact of COVID-19 on this sector. There is no significant change in number staff before and during pandemic although there is slight change in some companies like: IME (25), Everest (20) & Neco (16) insurance companies hence, it might be resignation by employee itself or due to lay off. This bring another scope for our study.
- there is no direct impact of impact on branch expansion activities of general companies. there are slightly increased in number branch operation as whole in industry during the pandemic period compare to previous period. Hence it should not bottom line of impact of Corona on branch expansion as date are taken for only two periods. But by given limitation of these data we can say there is no significant impact on branch expansion.

Reinsurance Sector:

- The reinsurance premium of life and non-life is decreased in Corona period compare to non-Corona period. Whereas if we observe in month of baishakha to ashad_77 reinsurance premium is increased by 44.78% and 53.93% respectively in life whereas 497.78%, 338.41% & 17.73 % respectively in nonlife compare to non-Corona period.

This indicate that there is no significant impact of Covid-19 pandemic in premium collection sector of Nepal-re as on Ashad_77. The reason behind this may be monopoly of Nepal Re in Nepali Insurance sector and it is too early to identify the impact of Covid-19, the detail impact on reinsurance is yet to discover.

- The Claim paid statics nonlife for the month of Chaitra_76's decreased by 99.50% in compare to non-Corona period but in Baishakha_77 onward claim Paid is increased in both life and nonlife sector compare to non-Corona period. Nonlife sectors claim is increasing rapidly till Ashad_77 compare to non-Corona period and life insurance sector claim is increased from jetha_77 onward compare to non-Corona period. The reason behind might be impact of Covid-19 or it might be the natural growth. Hence looking at data of baishakha & Jetha_77 the gigantic increased might be the hit of Corona in Nepalese insurance market.
- Retro session premium reduced by 12% and facultative premium outward reduced by 76.75% in Corona period compare to non-Corona period. This indicate significant impact of COVID-19 pandemic in Nepali insurance sector as Facultative premium outward is hugely dropped.
- There is renew of reinsurance treaty without drastically change in terms and condition as in non-Corona period in context of life insurance' companies whereas in context of non-life companies, most of the companies have renewed the reinsurance treaty with upgraded terms and conditions with compare to non-Corona period. this indicate the impact of Covid-19 pandemic on global reinsurance sector

Most of the companies has initiated internal guidelines and circular for operation of companies during Corona period. like Safety Measures, work from home concept, Compulsory use of mask at work place and frequent use of sanitizer or hand wash is implemented for employees & Compulsory use of mask and sanitizer or hand wash to enter office area for employee and others. companies have initiated to build tech friendly organization in other to survive and success in this environment.

3.4 Recommendation

This report attempts to examine the impact of Covid-19 on insurance sector based on quantitative date rather than the qualitative aspect. This study is conducted based on quantitative data of specified months of two physical years that are collected from the companies to identify impact of Covid-19 on insurance however; time period of data might be insignificants but its only aim to compare data with non-Corona period to with Corona period in other to explore impact of lockdown in insurance industry of Nepal.

Moreover, this report is attempts to examine contemporarily brief impact. Detail impact of Corona is yet to observe. The finding of this report might be insignificant due to time period of data hence, its aim to prepare current scenario and impact of Covid-19 pandemic in insurance sector of Nepal.

The detail impact of Corona is yet to discovered. Thus, after certain time interval, report recommended to researcher to investigate detail impact of COVID-19 Pandemic in insurance sector. Moreover, study recommended qualitative investigation to know behaviour of policyholders during pandemic and psychological impact of Covid-19 pandemic to general policy holders for further research.

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बीमा समिति

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फोन नं.: ५५२१०७९, ५५३८७४३,

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