



नेपाल बीमा प्राधिकरण
NEPAL INSURANCE AUTHORITY

EVOLVING ROLE OF THE ACTUARIAL ANALYSTS IN NEPALESE INSURANCE INDUSTRY

ASSESSMENT OF THE
EFFECTIVENESS OF
REGULATORY FRAMEWORK

**RISK MANAGEMENT DEPARTMENT
RESEARCH DIVISION
KUPONDOLE, LALTIPUR**

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Foreword by the Chairperson

A sound, well-governed and resilient insurance sector plays a critical role in strengthening financial stability, fostering public confidence and supporting sustainable economic development of the nation. In an increasingly complex financial environment, effective regulation and strong analytical capabilities are essential to ensure that insurance institutions remain robust, transparent, and responsive to emerging risks.

The role of actuarial professionals has evolved significantly in recent years as regulatory frameworks become more sophisticated and data-driven decision-making becomes central to the governance of financial sector. In this context, Nepal Insurance Authority aims to build a self-reliant and technically strong domestic actuarial capacity, gradually reducing long-standing dependence on foreign expertise and promoting national professional excellence.

This survey report provides valuable insights into the status of the actuarial workforce, identifies challenges faced by actuarial analysts, and evaluates the effectiveness of existing regulatory measures in strengthening actuarial professional development. The survey outcomes will support policy refinement aimed at strengthening domestic technical capacity, narrowing skill gaps, enhancing career pathways, and fostering a competent, future-ready actuarial workforce in Nepal.

We remain committed to fostering a transparent, risk-based, and forward-looking regulatory environment that reinforces public trust, encourages professional excellence and supports the long-term stability and sustainable growth of the insurance industry. I appreciate the efforts of all those who contributed to this study and am confident that its findings will inform future policy development and contribute to building a more resilient insurance ecosystem in Nepal.

Chandrakala Paudel
Chairperson

Message from the Executive Director

As the Nepalese insurance sector transitions towards more advanced supervisory frameworks, including risk-based capital regimes and enhanced governance standards, a strong institutional-level technical capacity within insurers has become essential. The actuarial profession plays a key role in this environment: actuaries provide strategic oversight, guiding risk management, solvency assessment, and financial decision-making, while actuarial analysts provide essential technical support to these functions.

Building actuarial capacity is not only a compliance requirement but a strategic imperative to strengthen risk management practices, improve data-driven decision-making, and enhance financial resilience. From a regulatory perspective, strengthening actuarial capacity across the industry is essential to ensuring that insurance companies operate with sound financial discipline and appropriate risk management frameworks. Nepal Insurance Authority has been working toward enhancing regulatory standards, improving supervisory mechanisms, and encouraging actuarial professional development. This survey report provides an important assessment of the current role and contributions of actuarial analysts within the Nepalese insurance sector. The insights presented in this report will help guide future regulatory initiatives, capacity-building efforts, and policy reforms aimed at strengthening the actuarial function within the industry.

I extend my appreciation to the professionals, insurers and all stakeholders who participated in this survey and contributed their valuable perspectives, and officials of Risk Management Department under Research Division whose dedicated efforts has brought this study to completion.

Susil Dev Subedi
Executive Director

Preface

A well-regulated and capable insurance sector is vital for strengthening public trust and confidence and driving sustainable development. In recent years, the regulatory landscape has undergone significant transformation with the introduction of risk-based supervision, enhanced governance requirements, and greater emphasis on transparency and accountability. In this evolving environment, the role of actuarial professionals has expanded. In line with this transformation, the Nepal Insurance Authority (NIA) has undertaken this assessment to evaluate the effectiveness of the existing regulatory framework in supporting and shaping the evolving role of Actuarial Analysts in the Nepalese insurance industry. The study examines the adequacy and practical implementation of current guidelines relating to actuarial analysts, responsibilities, governance, satisfaction level and retention challenges, highlighting notable progress while identifying areas for further strengthening in line with proportional and risk-based regulatory principles.

I sincerely hope that this report will serve as a valuable resource for policymakers, insurance companies, actuarial professionals, academic institutions, and other concerned stakeholders. The insights presented herein are expected to contribute to evidence-based regulatory enhancements and to support the continued professional development of Actuarial Analysts within the broader framework of prudential supervision.

I would like to express my sincere appreciation to all participating insurers and Actuarial Analysts for their constructive engagement and valuable input in this assessment. I also extend my heartfelt gratitude to the team of the Risk Management Department, including Deputy Director Ms. Nirmala Malla, Assistant Directors Ms. Sudha Kafle and Ms. Karuna Thapa, Actuarial Analysts Mr. Munal Bhattarai and Ms. Sambhavi Pokhrel, and Assistant First Mr. Man Bahadur Chaudhary. Their dedicated efforts in designing the survey instrument, undertaking data collection, conducting analysis, and preparing this report have been instrumental in bringing this publication to completion. Likewise, I acknowledge the contribution of Ms. Prechhya Mathema, President of Actuarial Society of Nepal for her independent advisory support in reviewing the report.

Pujan Dhungel Adhikari
Director
Research Division

Executive Summary

The role of actuaries and actuarial analysts is becoming increasingly important as Nepalese insurance industry transitions towards risk-based framework and adopts internationally recognized regulatory standards. To address the gap in actuarial capacity in the country, Nepal Insurance Authority (NIA) issued the 'Guideline Related to Actuary Appointment for Insurers, 2024' to define the eligibility criteria, function and oversight of actuarial professionals, including actuarial analysts.

To assess the effectiveness of the provisions in the guideline related to the actuarial analyst function, their current roles and responsibilities in the insurance companies, opportunities for professional growth, job satisfaction, retention and challenges are all examined in this study. Furthermore, the opinions of their supervisors sought regarding their performances and satisfaction level are also covered in this study. Primary data were collected through online surveys with 40 actuarial analysts and 37 supervisors (i.e. managers) from life, non-life, microinsurance, and reinsurance companies and secondary sources of data include guidelines, directives, circulars from NIA as well as industry reports.

The results indicate that actuarial analysts are primarily engaged in Risk-Based Capital (RBC) and solvency reporting, actuarial valuation, and product development and pricing. However, they have limited involvement in modeling activities. Informal and unstructured nature of training has led in only moderate levels of satisfaction. Although direct engagement of actuarial analysts with appointed actuaries has been reported, the extent of the interaction varies across organizations. Supervisors appreciate analysts' technical expertise, professionalism, and overall performance, but analysts report low level of satisfaction with career advancement, mentorship, remuneration, and long-term professional growth. Key obstacles to retention of local talents are unclear career paths, insufficient mentorship and guidance, better external career opportunities, and the pursuit of higher education.

The study concludes that, although there is growing significance of actuarial analysts' roles in regulatory compliance and strategic decision-making, their potential is underutilized due to training deficiencies, limited career development pathway, and inadequate retention measures.

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1. Introduction and Purpose

The insurance industry contributes significantly to the stability of financial systems by facilitating risk transfer, promoting long-term savings, and enhancing economic resilience. Actuarial science is at the heart of this industry, and actuaries are the technical professionals that support insurers in key areas such as product development, liability valuation, capital management, risk-based solvency assessment, adequacy of reinsurance and retrocession and other risk-informed decision-making.

Globally, the roles of actuarial professionals have evolved beyond traditional technical assistance. Many legal frameworks are placing increasing emphasis on structured actuarial responsibilities, documented work procedures, professional accountability, and ongoing development, which broadens the scope of actuarial roles. The Nepalese insurance market has experienced substantial changes in regulatory frameworks in recent years. With the implementation of risk-based frameworks like Risk-Based Supervision, Risk-Based Capital Solvency valuation (RBC-S), Own Risk Solvency Assessment (ORSA), Climate-Risk related directive, Nepal Financial Reporting Standards 17 on Insurance Contracts (NFRS 17) and other related provisions, the demand for actuarial expertise has increased significantly. However, there are limited number of fully qualified actuaries in Nepal. With the aim of building actuarial capacity, the NIA has issued the Guideline Related to Actuary Appointment for Insurers 2024 (hereafter referred to as “Guideline”) to enhance actuarial governance and industry capacity building by establishing clear eligibility criteria, required qualification, duties, and governance of actuarial professionals, including actuarial analysts.

The Guideline defines actuarial analysts as a person who is working towards the Associateship designation from a recognized Actuarial Association, has exposure to actuarial work, contributes to an organization and who is appointed or retained in accordance with the requirements set forth in Section 24 of the Guideline. It also mandates insurers to appoint at least one actuarial analyst, and sets eligibility criteria, including minimum educational qualifications, exam passes, and relevant work experience. The Guideline also stresses structured training, interaction with appointed actuaries, the maintenance of work logs, and assistance in statutory functions including valuation and pricing.

Although the Guideline is formally in effect, its practical application across the sector remains inconsistent and uneven. Variations in organizational structures, availability of actuarial

personnel, training frameworks, and management support affect how actuarial analysts are deployed. In addition, gaps in perception between analysts and their supervisors may influence both performance outcomes and long-term retention.

The main purpose of the study is to assess the effective implementation of the Guideline, particularly related to compliance with the provisions related to actuarial analysts, and to examine the evolving role of actuarial analysts with focus on how regulatory frameworks influence the responsibilities, professional development opportunities, workplace satisfaction, and retention challenges. The study seeks to identify implementation gaps, capacity constraints, and opportunities for strengthening actuarial functions, examine managerial perceptions regarding the need for actuarial analysts, their performance, and the value they add to organizations. This will contribute towards improved regulatory effectiveness and long-term growth in Nepalese insurance industry.

1.1 Scope and Limitation

An online survey was conducted in January 2026 with actuarial analysts and their supervisors. It included both structured multiple-choice questions for quantitative analysis and open-ended descriptive questions that provided qualitative insights and contextual understanding. The study aims to address the following key questions:

1. What is the status of compliance with the provisions governing engagement, and on-the-job training procedures for actuarial analysts?
2. What are the key practice areas and responsibilities undertaken by actuarial analysts?
3. What levels of workplace satisfaction and professional growth opportunities are experienced by actuarial analysts?
4. What is the perception of managers/supervisors regarding the need, performance and value of actuarial analysts?
5. What are the gaps, challenges and opportunities in developing and retaining actuarial analysts in Nepal?

The study is subject to several limitations. It relies on self-reported survey responses, which may introduce respondent bias, and the small pool of actuarial analysts in Nepal may limit the generalizability of findings. As the study focuses on the initial phase of Guideline implementation, long-term impacts may not yet be observable.

2. Actuarial Profession

2.1 Role of Actuarial Analysts

The actuarial profession includes fully qualified actuaries, associate actuaries, and actuarial analysts. Fully qualified actuaries undertake high-level responsibilities and carry out independent technical and regulatory functions, including signing statutory reports, certifying technical provisions, and advising on capital adequacy. Often as a part of the actuarial teams, actuarial analysts support these roles by completing technical tasks such as data preparation, analysis, and model development, testing and preparation of actuarial reports. Internationally, actuarial analysts are also involved in core tasks like valuation, pricing, and profitability analysis, and risk management.

Actuarial analysts are generally at early stages of professional development, passing exams provided by recognized actuarial bodies and obtaining practical experience to qualify for higher professional designations. Supporting literature emphasizes the importance of partially qualified actuarial professionals like actuarial analysts in handling data and supporting analytical work required by insurance operations, especially as the regulatory environment becomes more data driven and complex. Furthermore, partially trained actuarial professionals help to reduce the overreliance on foreign actuaries when provided with organized responsibilities and development opportunities (Bhatt & Adhikari, 2023).

2.2 The Actuarial Profession in Nepal

In Nepal, the actuarial profession is still in its early stages but is evolving rapidly. Historically, Nepal's insurance market has lacked domestic actuaries, resulting in a long-standing reliance on foreign professionals, particularly for statutory actuarial valuation and solvency compliance (Humagain,2025). This institutional limitation has led to cash outflows, logistical delays, and operational bottlenecks for Nepali insurers that depend on international actuaries. Moreover, the environment has not been conducive to developing in-country actuarial capacity.

With regards to supply of actuarial students, the national university Tribhuvan University (TU) introduced a four-year undergraduate program in Actuarial Science in 2016, creating a steady pipeline of actuarial graduates. Many of these graduates have already been absorbed into the insurance market.

In parallel, a local actuarial association, the Actuarial Society of Nepal (ASN) was established in 2019 and was recently admitted as an Associate Member of the International Actuarial Association (IAA). With around 50 members, ASN serves as a professional platform for networking, training, and knowledge-sharing among actuarial professionals.

Further progress was made when Memorandum of Understanding (MoU) was signed between NIA and School of Mathematical Sciences (SMS) TU in October 2024, and between NIA and ASN in November 2024. These collaborations are expected to foster actuarial professional development, strengthen regulatory alignment, and address the growing demand for actuarial expertise in Nepal's insurance and financial sectors.

However, significant challenges persist, including difficulty in retaining talents within the country, lack of local certification framework, and financial and professional support to actuarial analysts by employers.

Prior studies highlight that structured training programs, cooperation between regulators and academic institutions, and incentives for ongoing professional development might help to reduce these issues. Thus, collaboration among regulators, industry, actuarial association, and actuarial education providers is viewed as critical to developing a strong actuarial profession in Nepal that promotes business growth, regulatory compliance, and financial stability.

3. Methodology

The study is based on online surveys conducted in January 2026 using structured questionnaires developed by NIA - one targeting actuarial analysts and the other their supervisors - covering areas such as training, supervision, regulatory compliance, professional development, role deployment, performance, and retention. Relevant references were taken from regulations, guidelines, publications, and other documents.

This study adopts a dual-perspective approach, comparing the experiences of actuarial analysts with the assessments of their supervisors. The target population includes all actuarial analysts currently employed in licensed life, non-life, microinsurance, and reinsurance businesses in Nepal, along with their respective supervisors or managers. This approach was considered appropriate given Nepal's relatively small pool of actuarial analysts, the specialized nature of actuarial work, and the need to capture comprehensive industry-wide insights rather than relying on statistically generalized results.

Thematic analysis was used to identify and interpret recurrent themes related to professional development, training, supervision, and regulatory compliance.

NIA intends to conduct the survey on an annual basis to systematically assess the effectiveness of the guidelines' implementation, monitor progress over time, identify practical challenges faced by insurers, and evaluate whether the intended regulatory outcomes are being achieved.

4. Survey Results

This report incorporates 40 responses from actuarial analysts, based on the criterion of having passed at least the minimum number of exams specified in the guideline. In addition, 37 responses were collected from supervisors, representing one response from each insurer.

4.1 Demographic Profile and Professional Background

4.1.1 Number of Respondents by type of insurer

The following chart shows the distribution of the type of insurance companies where the respondents (actuarial analysts) are employed –

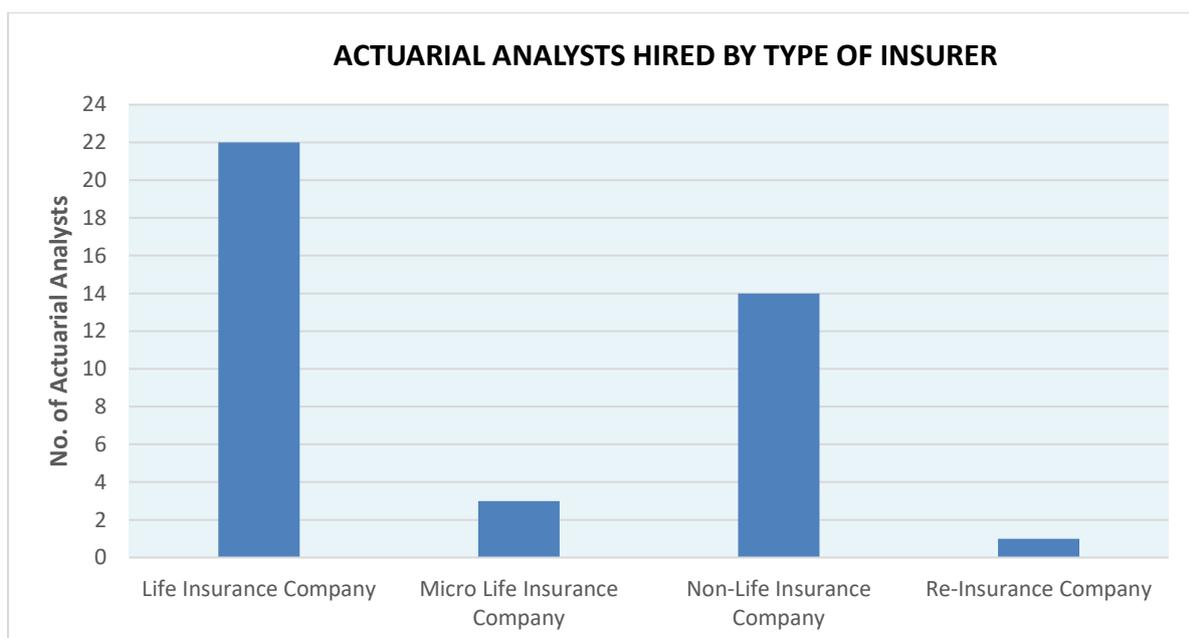


Figure 1: Number of respondents (actuarial analysts) hired by type of insurer

Some life insurers have employed more than one actuarial analyst, while all 14 non-life insurers appear to have one analyst each. None of the micro non-life insurance companies have hired actuarial analysts yet.

4.1.2 Associated Actuarial Professional Body

Majority of actuarial analysts are student members of the Institute and Faculty of Actuaries (IFoA), United Kingdom (UK). Other associations have low levels of representation among the

actuarial analysts. The chart below presents the proportion of actuarial analysts associated with different professional actuarial bodies¹.

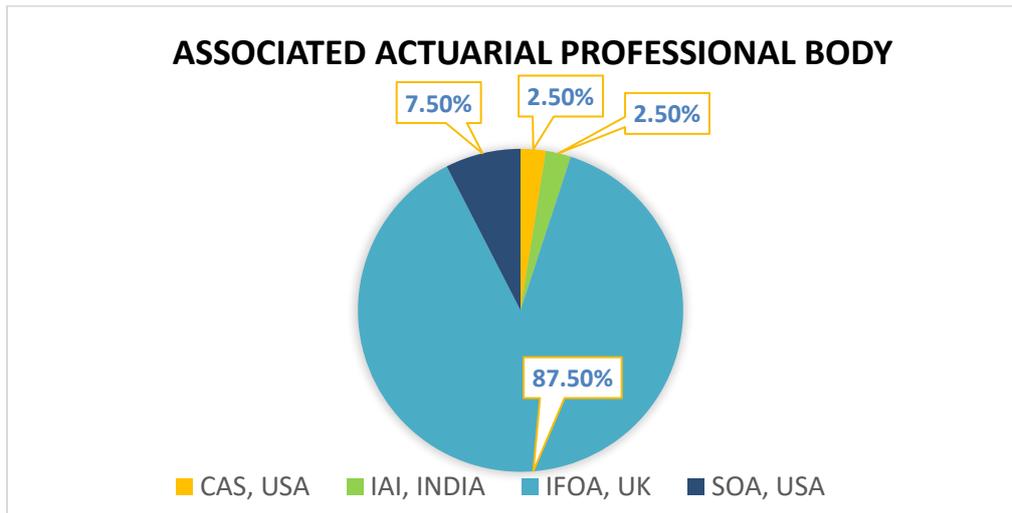


Figure 2: Associated Actuarial Professional Body

4.1.3 Examination Progress

The guideline states that a person shall be eligible to be appointed as an actuarial analyst only if they have passed at least 3 examinations from any internationally recognized actuarial association. The results indicate that most actuarial analysts have 3 to 6 examinations, with only a few nearing full qualifications through a higher number of passes.

The number of examinations passed by the actuarial analysts is illustrated below –

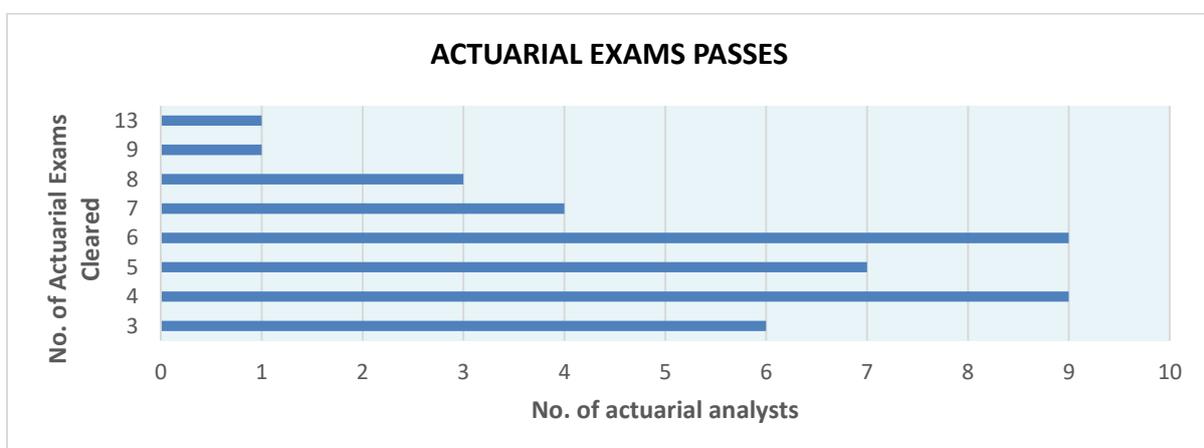


Figure 3: No. of Actuarial Examination Passes by actuarial analysts

¹ CAS, USA – Casualty Actuarial Society, United States of America; IAI – Institute of Actuaries of India; SOA, USA – Society of Actuaries, United States of America.

4.1.4 Post-graduation Work experience

The results show that majority of actuarial analysts have up to 2 years of experience, with around 35% of the analysts having post-graduation work experience of less than 1 year. The following chart shows the post-graduation work experience of the actuarial analysts -

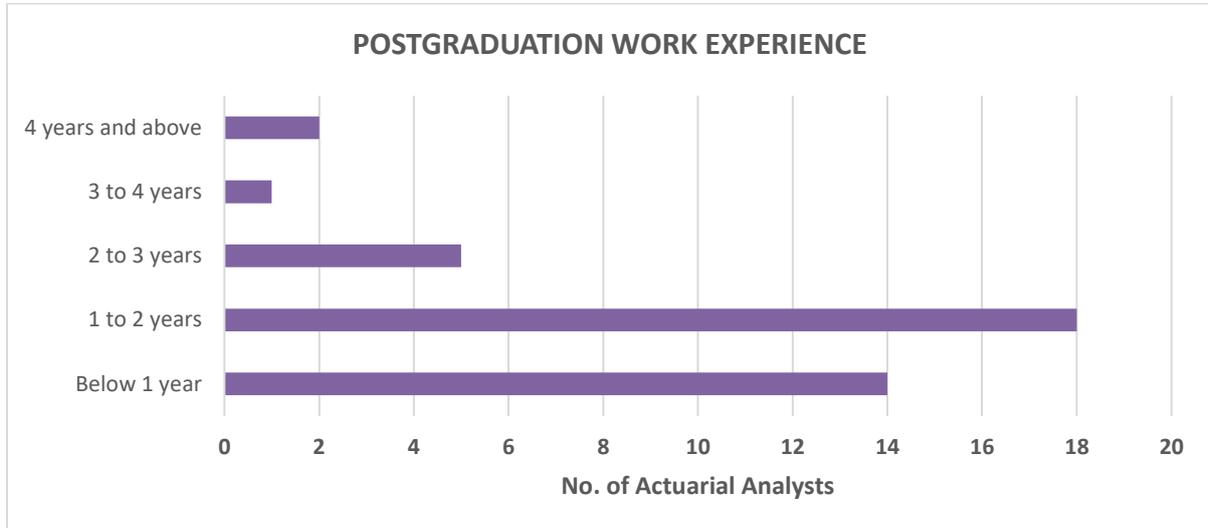


Figure 4: Work Experience

4.1.5 Designation of actuarial analysts

Most actuarial analysts are currently appointed in Assistant or equivalent position. A small proportion (5%) of them are appointed in managerial positions in the insurance companies.

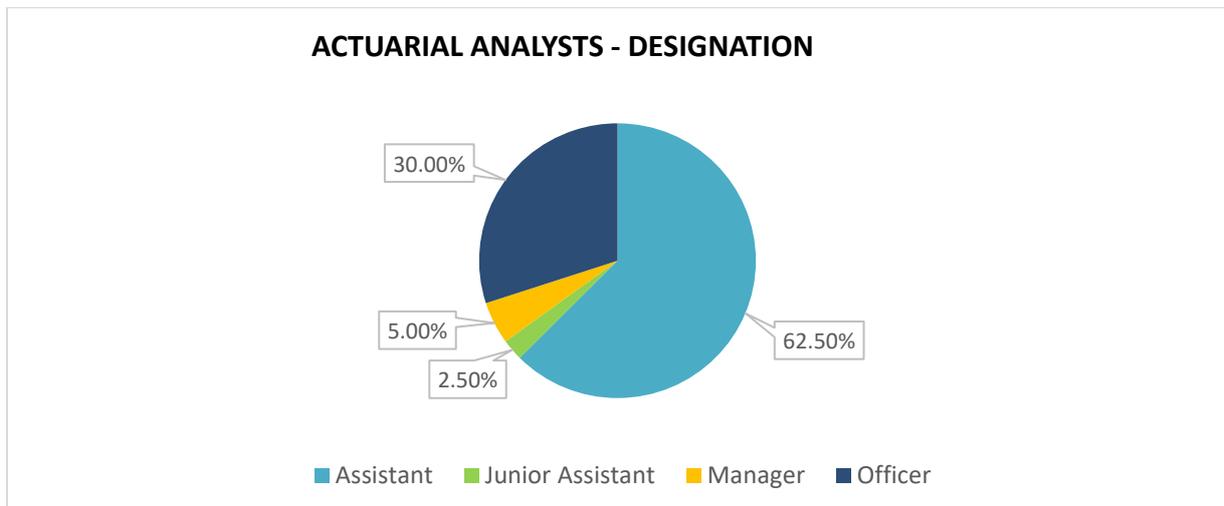


Figure 5: Designation

4.2 Practice Areas of Actuarial Analysts

4.2.1 Departmental Involvement

Actuarial analysts contribute across diverse functional areas. Their primary involvement is in Valuation (92.5%) and Risk (70%). Significant participation is also seen in Product Development and Research (57.5%), Finance (47.5%), and Reinsurance (35%).

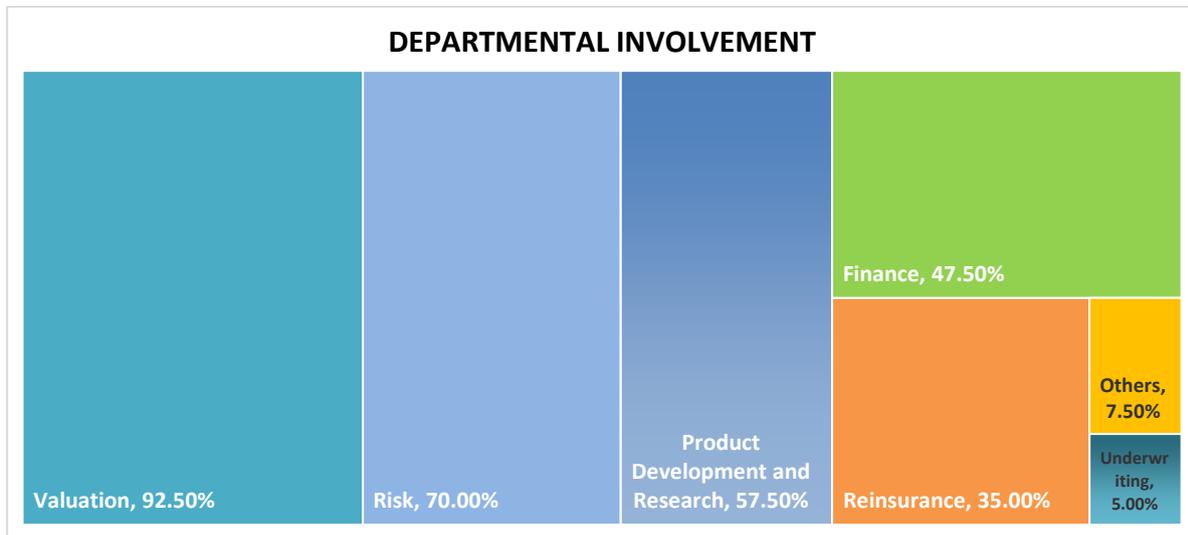


Figure 6: Departmental involvement of actuarial analysts

Survey responses from supervisors are largely consistent with the above findings. Valuation and risk are the two main areas of involvement followed by Product Development and Pricing, Reinsurance and Finance. The participation of actuarial analysts is comparatively limited in Underwriting and in other departments such as Claims and Compliance.

4.2.2 Key Tasks performed by Actuarial Analysts

Product Development and Pricing

The results show that actuarial analysts are primarily involved in tasks related to communication between company, actuary and NIA, market research, assumptions setting and documentation (preparation of technical notes). Only few actuarial analysts are involved in modelling.

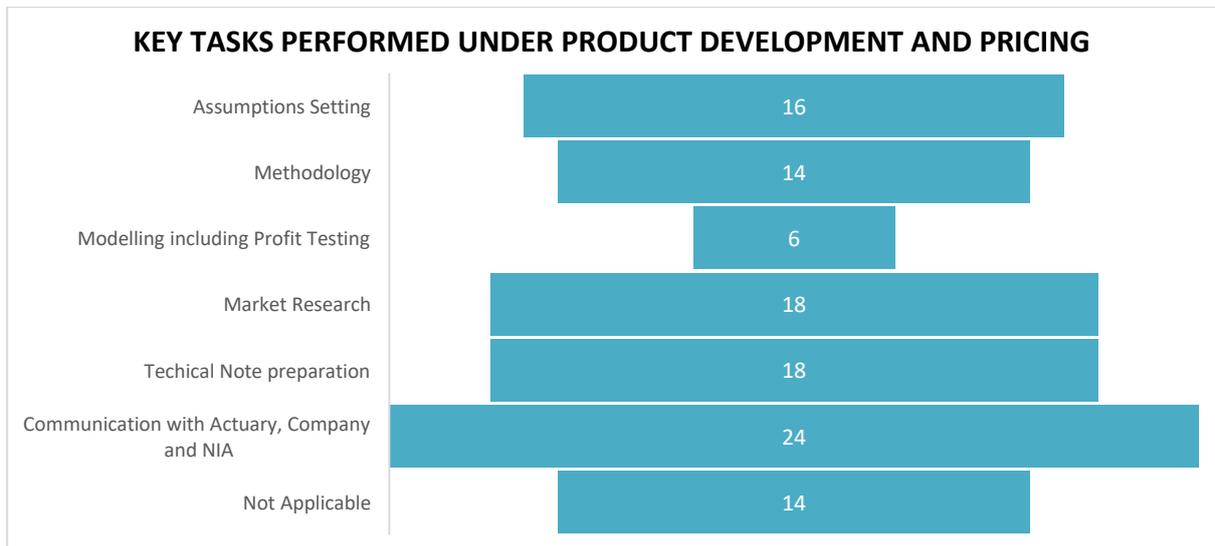


Figure 7: Key Tasks performed under Product Development and Pricing

Note: 'Not Applicable' refers to actuarial analysts that are not involved in the task of Product Development and Pricing.

RBC Valuation and Solvency Assessment

Actuarial analysts are mainly engaged in tasks such as populating RBC QRRT (templates), asset valuation particularly using the Mark-to-model approach, and facilitating communication between the company, the Appointed Actuaries, and NIA. Only a small number are involved in experience analysis and liability valuation.

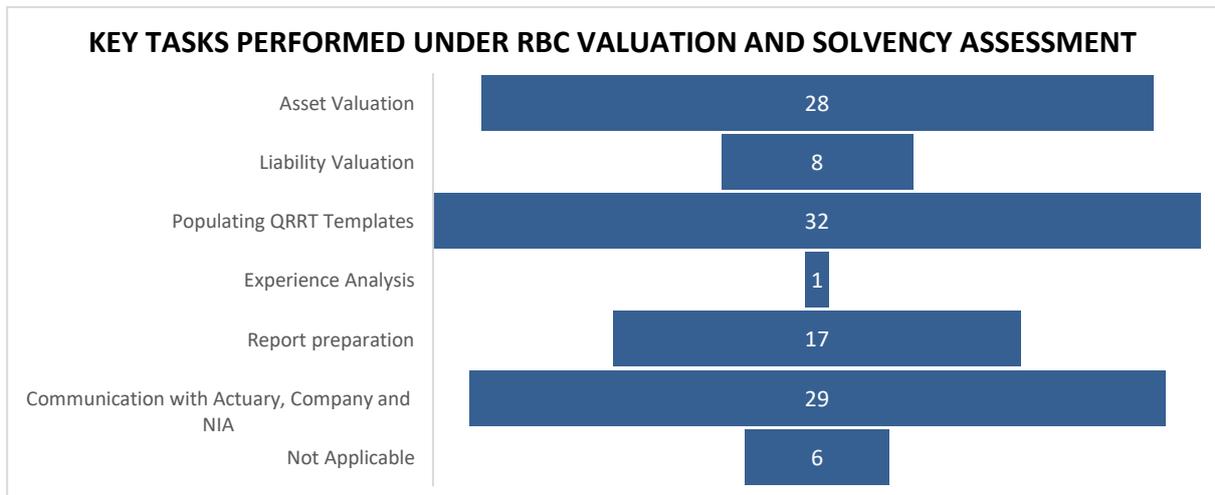


Figure 8: Key Tasks performed under RBC Valuation and Solvency Assessment

Note: 'Not Applicable' refers to actuarial analysts that are not involved in the task of Product Development and Pricing.

Own Risk and Solvency Assessment (ORSA)

More than half (52.5%) of the actuarial analysts are involved in the development and implementation of the ORSA process.

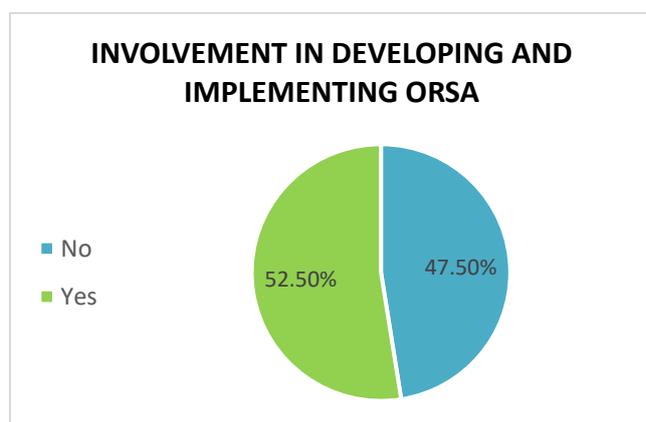


Figure 9: Involvement in ORSA process

The ORSA process applies to insurers based on the principle of proportionality, meaning it is not mandatory for all insurers (e.g., micro-insurers). A few respondents noted that their participation has been limited since ORSA is not required for their company.

The key areas where actuarial analysts have been involved in ORSA process are as follows: a) coordinating with the supervisor and management, b) supporting the development of the ORSA framework, c) gap analysis, d) drafting ORSA policy, and e) facilitating qualitative risk assessment, including preparation of the risk register, risk handbook, etc. Some analysts have also reported being involved in the quantitative assessments, including solvency projections, stress testing, scenario analysis, as well as in drafting the ORSA report. The responses suggest that interaction with Appointed Actuary in this regard, especially for the insurers who are at initial stages of the implementation, has been limited.

Overall, while levels of involvement vary, the responses from actuarial analysts suggest steady progress towards implementing the ORSA framework.

4.3 Compliance with Provisions in the Guideline

4.3.1 Hiring Status

The Guideline mandates each insurer to have at least one actuarial analyst working in any of the actuarial areas. As of January 2026, all life and non-life insurance companies have hired at

least one actuarial analyst. Among the three microinsurance companies with actuarial analysts, all are micro life insurers, while none of the micro non-life insurance companies have hired actuarial analysts to date. In addition, 12 insurers employ more than one analyst.

Among insurers that have not hired actuarial analysts, cost constraint particularly for micro insurers were cited as a key barrier. Others indicated that their organizations are still in the early stages of operation or plan to make appointments in the future. Additional reasons included the absence of clear guidelines or structured frameworks for utilizing actuarial analysts, as well as the relatively simple and standardized nature of certain insurance products, which reduced the immediate need for dedicated actuarial roles.

4.3.2 Work Log

As per the Guideline, actuarial analysts need to submit work logs providing a summary of their tasks and learnings from working in relevant areas to their supervisors.

Only 60% of the actuarial analysts have been maintaining a formal work log while over 90% of the supervisors of these analysts are aware of this provision in the Guideline.

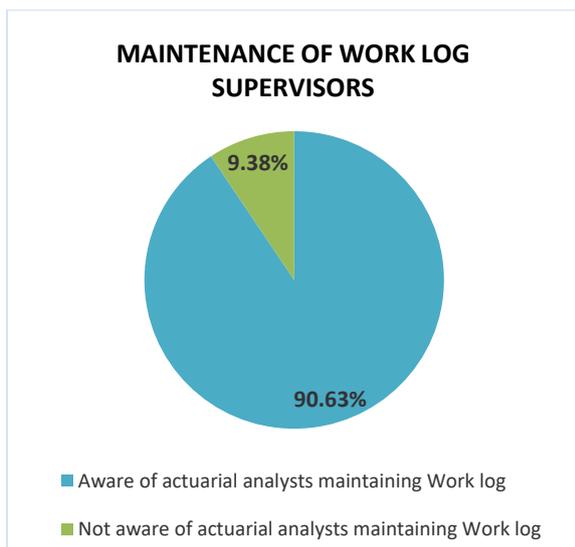


Figure 10: Work Log Maintenance – Supervisor awareness

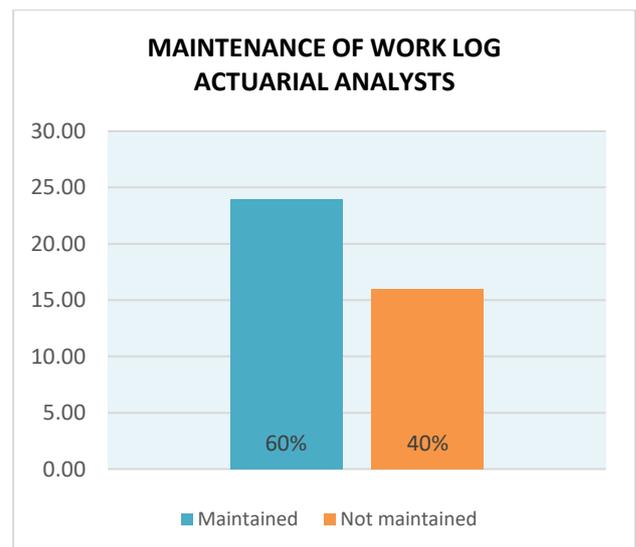


Figure 11: Work Log Maintenance – actuarial analyst

4.3.3 Training requirements

The Guideline requires Appointed Actuaries to provide actuarial analysts with at least 10 hours of on-the-job training for each relevant task. However, half of the actuarial analysts reported not receiving any training from their Appointed Actuaries. Among the actuarial analysts that

have received training, 55% (27.5% of all analysts) received at least 10 hours of training while 45% (22.5% of all analysts) have received less than 10 hours.

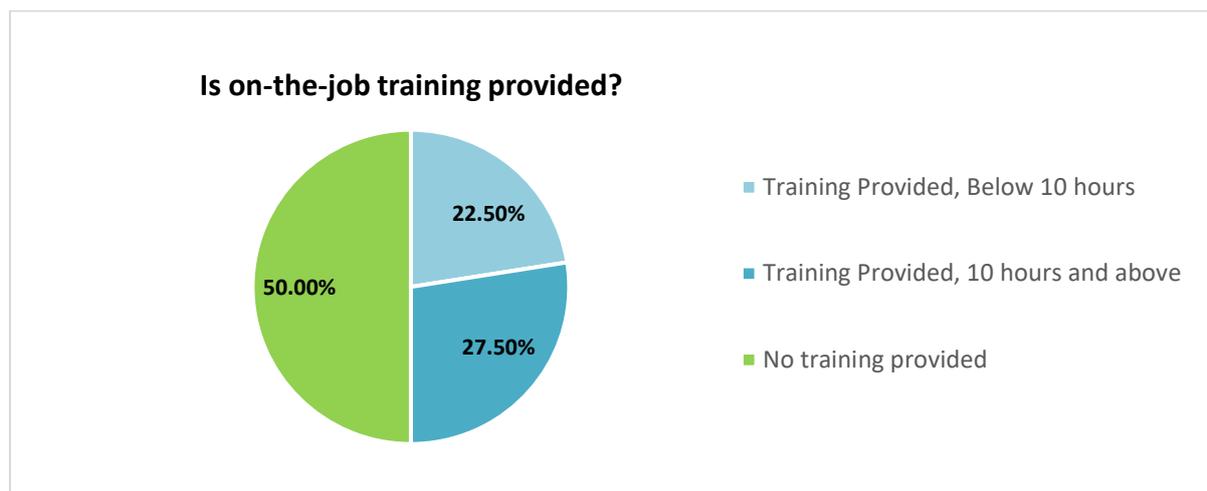


Figure 12: On-the-job training for actuarial analysts

The training provided is mainly informal and discussion-based, with a focus on valuation and assumption setting. Only a few analysts reported receiving more structured training, which covered advanced topics such as pricing and product modeling, IFRS 17, and the RBC and solvency framework.

The results of the survey with supervisors are largely consistent with the above findings. Around 57% of the supervisors have reported that the Appointed Actuary provides on-the-job training to the actuarial analysts. At least 10 hours of training has been provided for around 52% of the insurance companies (30% of total).

4.3.4 Feedback from Appointed Actuary

The Guideline requires Appointed Actuaries to provide constructive feedback on the quality of work produced by the actuarial analysts, and this will be part of the company's performance appraisal of these analysts.

More than 90% of the supervisors have reported that they have direct interaction with the Appointed Actuaries while in contrast only around two-thirds of the actuarial analysts have reported that they have direct communication with their Appointed Actuaries.

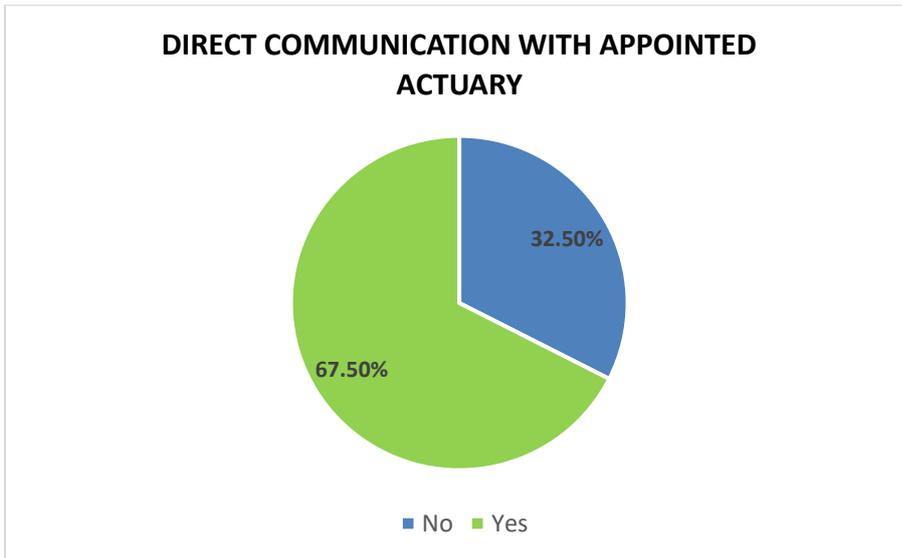


Figure 13: Direct Contact with Appointed Actuary – Actuarial Analysts

More than 66% of supervisors employing actuarial analysts reported that feedback from their Appointed Actuaries is included in the analysts’ performance reviews.

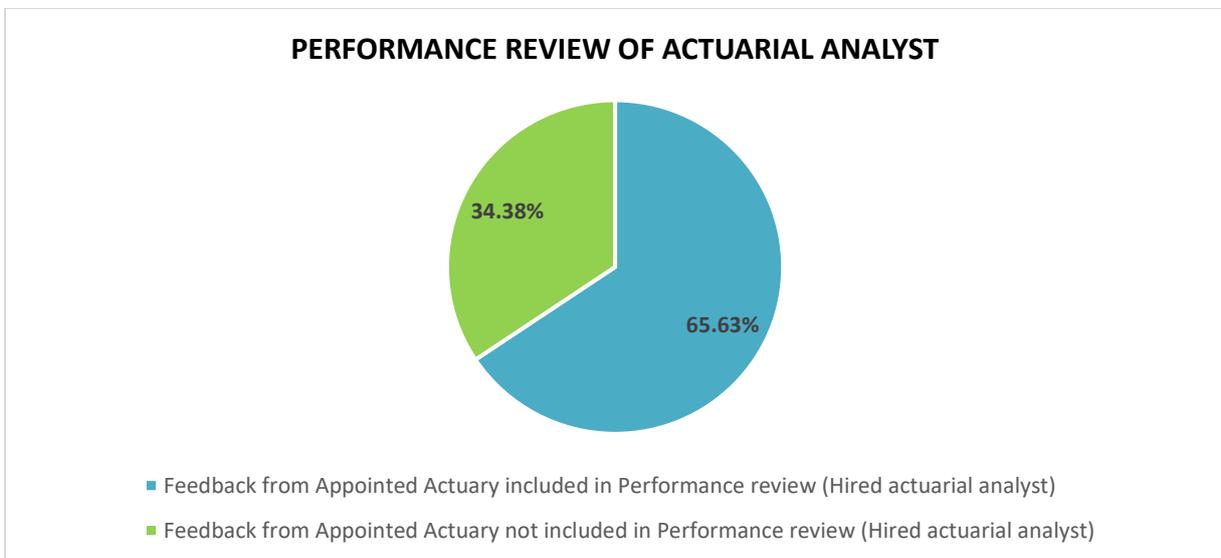


Figure 14: Performance Review

4.4 Professional Growth, Retention and Workplace Satisfaction

4.4.1 Actuarial Analysts

Personal and Professional Development (PPD) requirements

Some actuarial associations mandate their members to complete certain practical work experience commonly referred to as Personal and Professional Development (PPD) as part of

qualification requirement². Among analysts subject to these requirements, about 65% reported that their assigned tasks contribute partially towards PPD, while only 3% indicated that their tasks contribute fully.

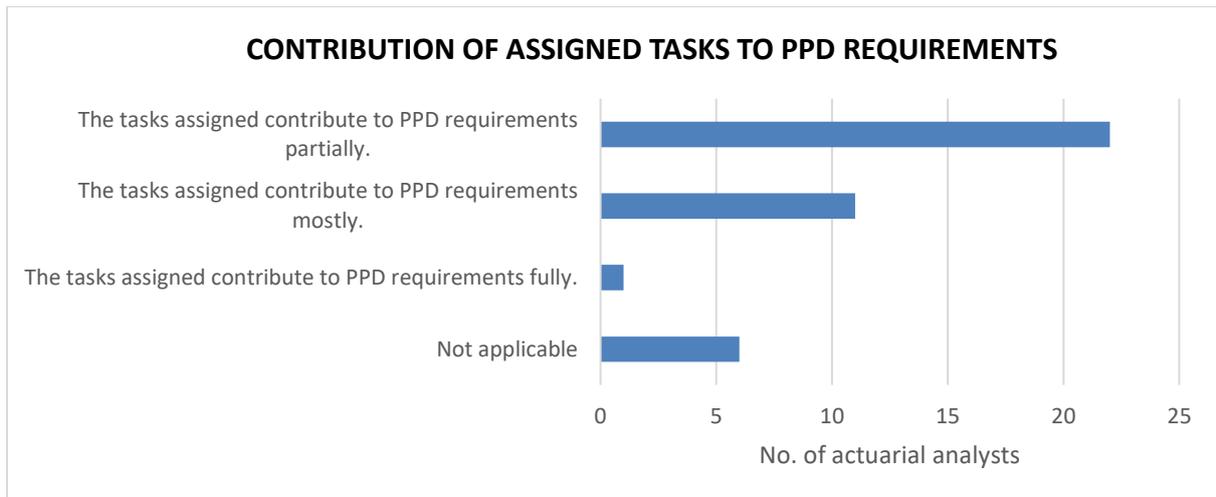


Figure 15: Contribution of Assigned Tasks to PPD Requirements

Clarity of role

Majority of actuarial analysts (82.5%) reported having clarity about their supervisors' expectations and their role, which is a positive sign.

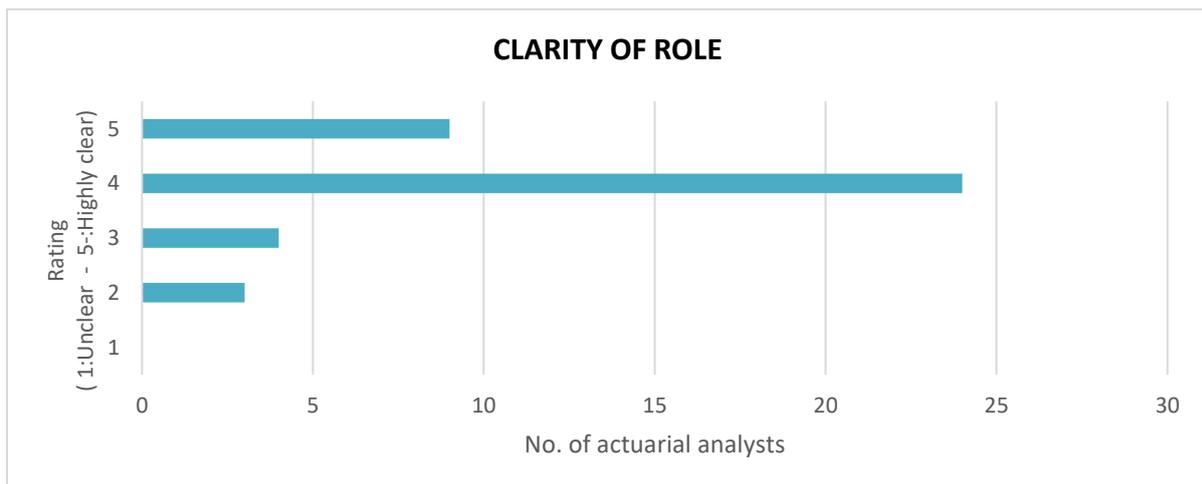


Figure 16: Clarity of Role

² Institute and Faculty of Actuaries (IFOA). (n.d.). Personal and Professional Development. Retrieved February 25, 2026, from <https://actuaries.org.uk/qualify/personal-and-professional-development/>

Challenges Faced in Job-seeking (recruitment) process

The key issues cited by actuarial analysts during recruitment include limited vacancies of actuarial positions, low visibility of public advertisements of available vacancies and high competition. Another key challenge was limited awareness and recognition of actuarial analysts' roles among employers, coupled with a lack of clarity about their responsibilities. Several analysts noted a mismatch between employers' high expectations and the entry-level qualifications typically held by candidates. Employers often expected a wide range of skills including technical expertise in valuation, pricing, regulatory reporting, and data analytics. In addition, a strong preference for candidates with personal references further complicated the job-seeking process. Some analysts also highlighted constraints in employment benefits, particularly regarding study leave and salary, which added to the difficulties of entering and sustaining a career in the field.

In contrast to the experiences noted above, approx. 35% of analysts reported a smooth job-seeking process, supported by the provisions in the regulatory guidelines and the availability of internship opportunities.

Satisfaction Levels

Actuarial analysts' satisfaction with exposure to actuarial work, supervision and guidance, training opportunities, career progression and compensation package were assessed.



Figure 17: Satisfaction Levels – Actuarial Analysts (Overall)

While most actuarial analysts expressed satisfaction with the supervision, guidance and exposure to actuarial work, a larger proportion reported dissatisfaction with the training opportunities, career progression prospects, and compensation package.

Figure 19 presents a detailed breakdown of the satisfaction levels by type of insurer.

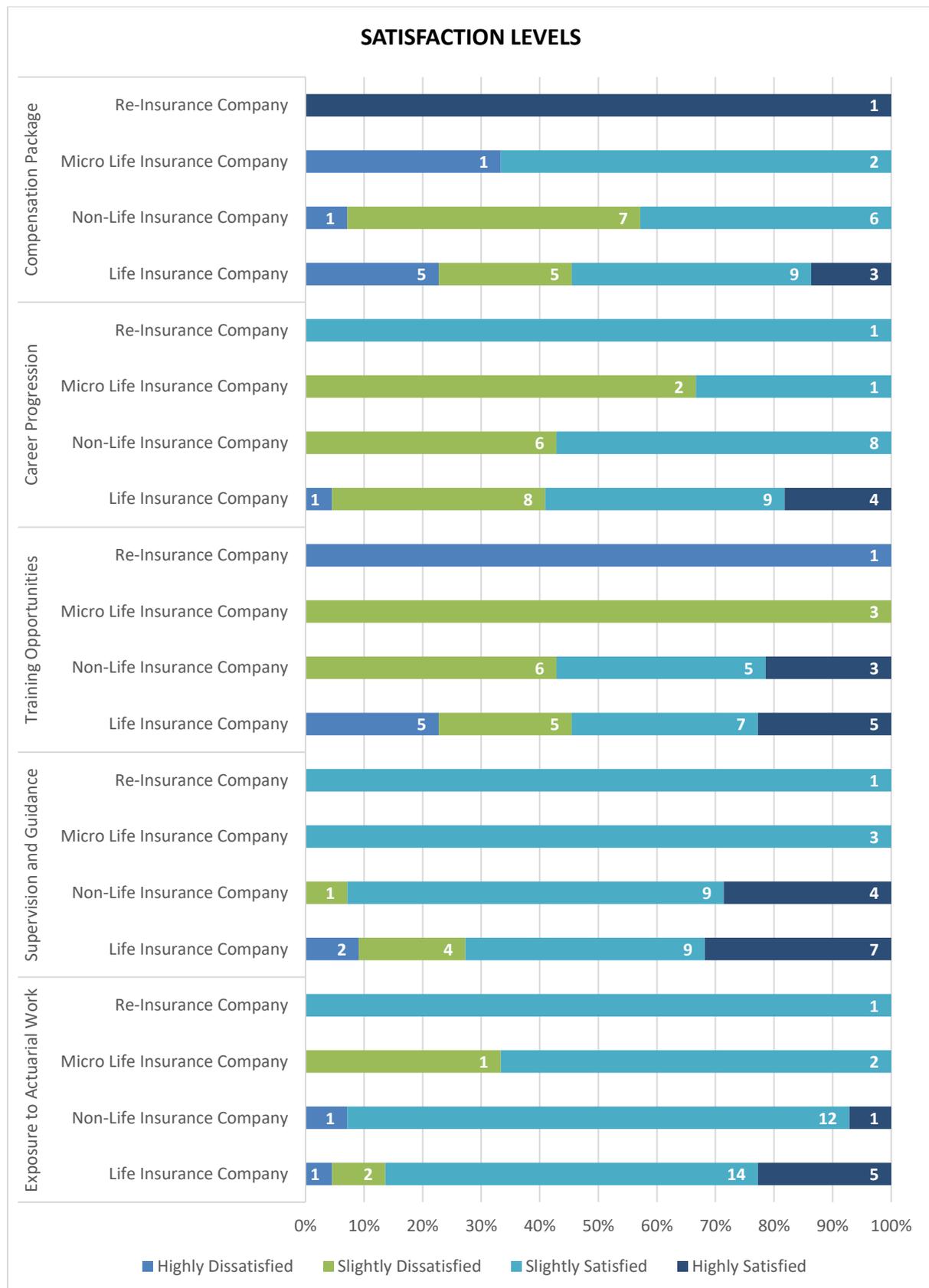


Figure 18: Satisfaction Levels – Actuarial Analysts (Type of Insurer)

4.4.2 Supervisor's view

Perceived need for Actuarial Analysts

More than 86% of the supervisors believe that actuarial analysts are essential for their company.

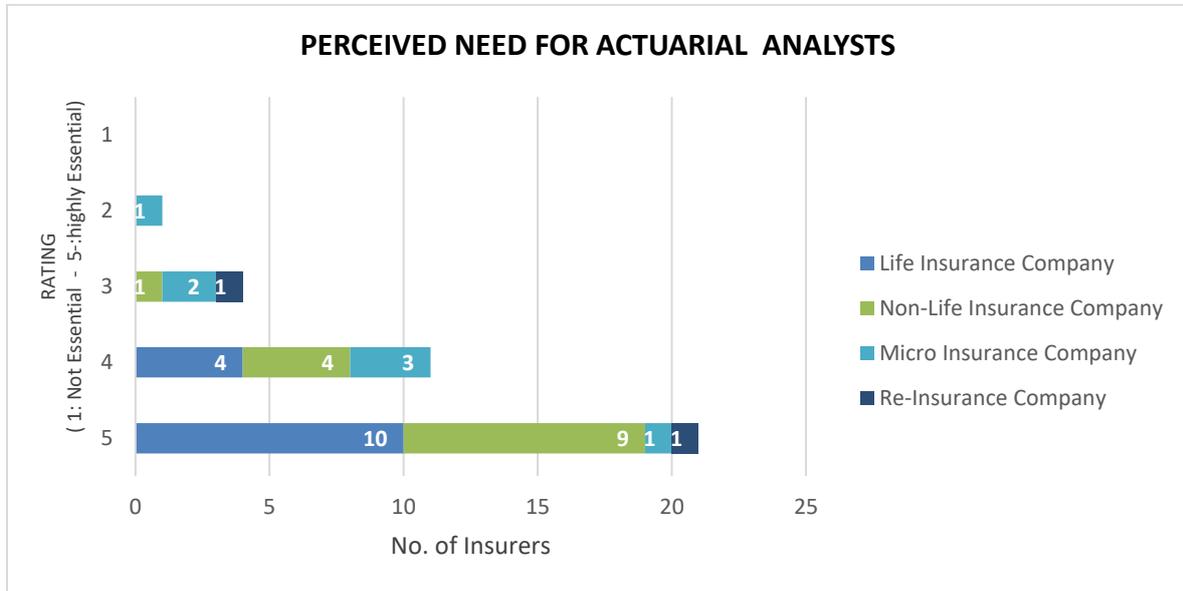


Figure 19: Perceived Need for actuarial analysts

Perceived Value Added by Actuarial Analysts

Over 90% of the respondents (supervisors) believe that, given the costs associated with recruiting and retaining actuarial analysts, these professionals contribute significant value to their companies.

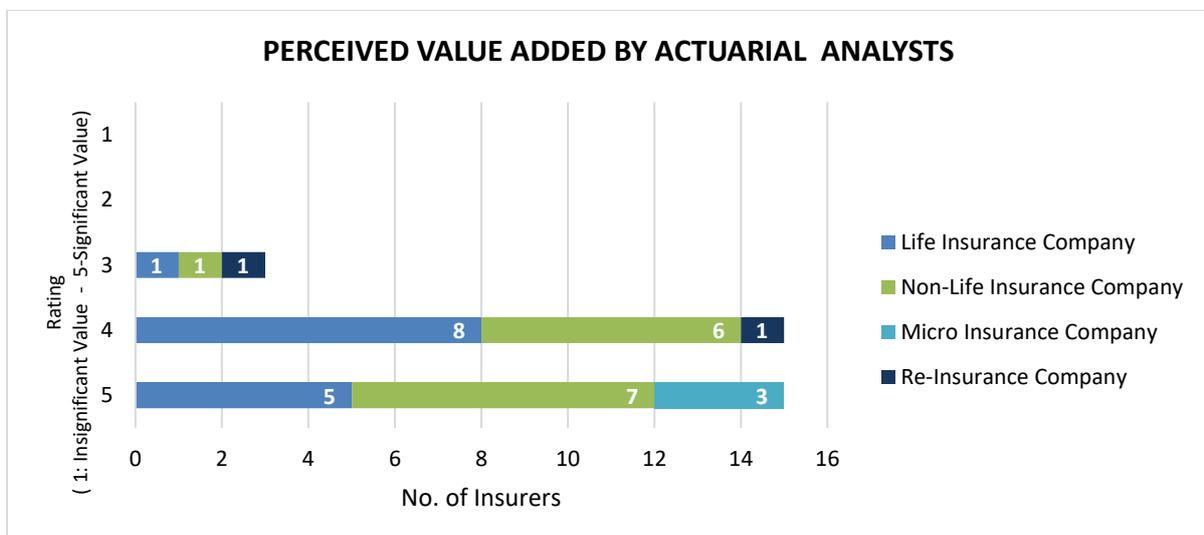


Figure 20: Perceived Value added by Actuarial Analysts

Satisfaction Levels

Satisfaction of supervisors regarding technical proficiency, communication skills, problem solving abilities, professionalism, exam progress and overall performance of actuarial analysts were assessed.

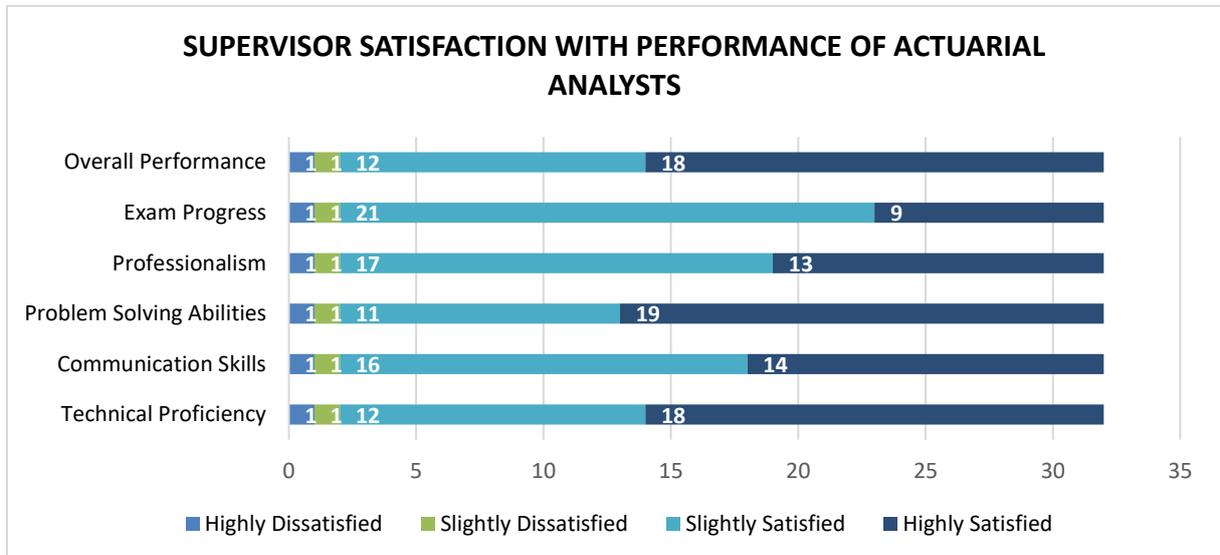


Figure 21: Satisfaction Levels – Supervisors (Overall)

The results show that majority of the supervisors are satisfied with the performance of actuarial analysts. A detailed breakdown of the satisfaction levels of supervisors by type of insurer is illustrated in Figure 23.

SATISFACTION WITH PERFORMANCE OF ACTUARIAL ANALYSTS

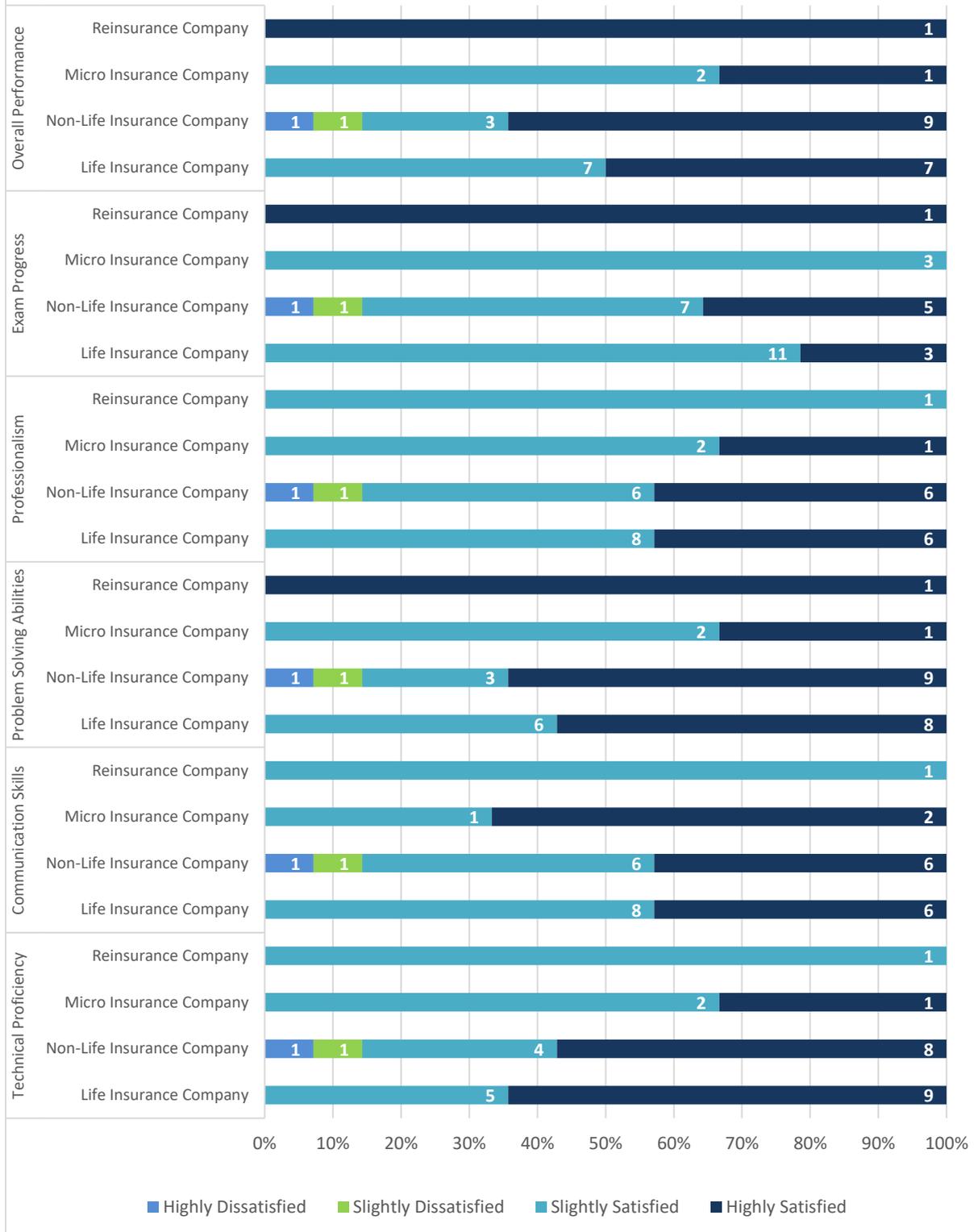


Figure 22: Satisfaction levels- Supervisors (Type of Insurer)

4.4.3 Retention

Challenges faced in retention of Actuarial Analysts

The two most common challenges insurers in Nepal face in retaining local talent are the pursuit of higher education abroad and better career opportunities outside the country.

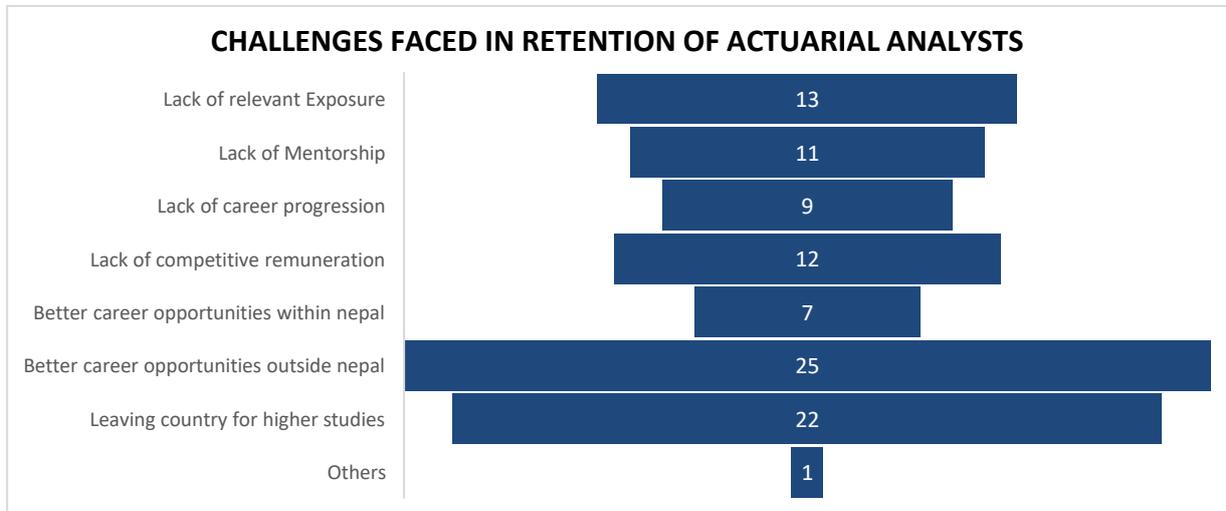


Figure 23: Challenges with Retention of actuarial analysts

Factors emphasized in current strategy to retain Actuarial Analysts

Most insurance companies have adopted strategies to retain actuarial analysts by providing training, guidance, exposure to relevant work, and offering competitive salaries. Additional measures emphasized include creating opportunities for internal promotion and satisfactory career progression.

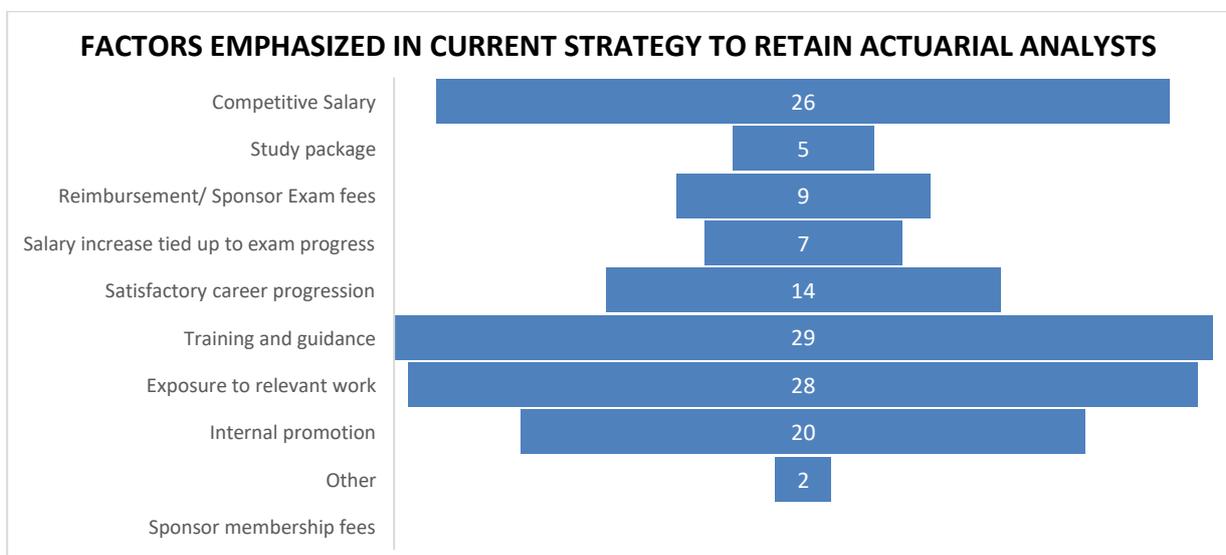


Figure 24: Factors emphasized in current strategy to retain Actuarial Analysts

4.5 Suggestions for Strengthening the Actuarial Analyst Function

4.5.1 Suggestions for insurers

Actuarial analysts and their supervisors have suggested the following for the insurers:

- the need to provide structured and practical training,
- opportunities for broader exposure to related work across different functions,
- establishing clear criteria for performance evaluation, and
- long-term career progression.

Many analysts and supervisors emphasized the value of a structured remuneration package in line with international practices, including study leave, examination support and access to study materials. These measures would help retain talent, enhance motivation, and improve overall performance.

Actuarial analysts further stressed the importance of involving them in communications with key stakeholders, including Appointed Actuaries. This involvement would promote knowledge sharing, ensure actuarial expertise is effectively applied in business decisions, and strengthen actuarial capacity within insurance companies.

4.5.2 Suggestions for NIA

Many actuarial analysts and supervisors have noted that the guideline issued by NIA, particularly the provisions concerning actuarial analysts, has provided significant support in strengthening the actuarial function. Further feedback on how NIA can continue to enhance actuarial capacity, and the development of the actuarial analyst function has largely emphasized the importance of establishing and implementing robust regulatory frameworks and comprehensive guidelines dedicated to actuarial capacity building.

Many analysts and supervisors also highlighted the following:

- The need for training, workshops and knowledge-sharing sessions led or organized by NIA focusing on relevant practical work to enhance the actuarial capacity of the insurance industry,
- Facilitating collaboration with various national and international stakeholders, such as international actuarial organizations, to support the enhancement of actuarial knowledge.

Some responses also underscored the regulator's pivotal role in setting industry-wide expectations, particularly in relation to the effective utilization of actuarial analysts, the establishment of career development standards, and the provision of support for actuarial education alongside other measures aimed at advancing the actuarial profession in Nepal.

5. Summary of Findings and Recommendations

5.1 Summary of Key Findings

In compliance with the Guideline, 32 insurers have hired at least one actuarial analyst, with 12 of them hiring more than one actuarial analyst. There are 4 microinsurance companies and 1 reinsurance company that are still non-compliant as they have not hired any actuarial analysts.

The Guideline outlines other key provisions for actuarial analysts, including training arrangements, work reporting, feedback and performance reviews by Appointed Actuaries. However, only 60% of analysts maintain a formal work log for submission to the supervisors. Just half receive on-the-job training from the Appointed Actuaries, and among them, about 45% report receiving training for less than 10 hours. While most insurers confirm that actuarial analysts have direct communication with the Appointed Actuaries, only 66% incorporate the Appointed Actuary's feedback into analysts' performance review.

The key findings are as follows:

- Majority of them are student members of IFoA (UK),
- Only a small number of actuarial analysts are close to qualifying as Fellows, having already achieved a high number of examination passes,
- Most analysts have passed between 3 to 6 exams and remain in the relatively early stages of their qualification journey,
- Most actuarial analysts have less than two years of post-graduation work experience, while only a small proportion have more than 4 years of experience,
- There is limited involvement of actuarial analysts in managerial roles, as most are positioned at the assistant or officer level,
- Actuarial analysts are primarily engaged in valuation, risk management, product development, and research. Many are also involved in finance and reinsurance, while only a small number contribute to areas such as underwriting and claims,
- Actuarial analysts reportedly facilitate communication among management, Appointed Actuary and NIA,
- With regards to Product Development and Pricing, key tasks performed also include market research and preparation of technical notes,

- The key tasks performed under RBC Valuation and Solvency Assessment include populating RBC QRRT (templates) and carrying out asset valuation,
- There is limited involvement of analysts in core actuarial tasks, such as modelling, profit testing and liability valuation, and
- More than half of the actuarial analysts have reported involvement in ORSA process; however, the level of involvement varies between the insurers.

In terms of satisfaction, majority of the actuarial analysts are satisfied with the supervision and guidance as well as the exposure to actuarial work; lower levels of satisfaction have been reported regarding the training opportunities, career progression and compensation package. Supervisors perceive that actuarial analysts are highly essential to the company and add significant value compared to the cost of hiring and retaining them. Overall, the supervisors demonstrate high levels of satisfaction with the performance of actuarial analysts.

5.2 Recommendations

Survey findings indicate that most insurance companies view the Guideline on actuarial analysts positively and have taken steps to strengthen actuarial capacity within their organizations. Given that many actuarial analysts appear satisfied with their roles and the professional guidance they receive, insurers should capitalize on this positive engagement by:

- Creating structured career progression framework,
- Clearly differentiating roles based on experience, examination progress, competencies, and performance to be established,
- Implementing formal and standardized training programs with practical orientation and adequate duration,
- Providing structured support for professional examinations such as study leave, reimbursement of examination fees, and organized study resources, to create a motivating environment.
- Establishing transparent promotion criteria and defined long-term career pathways, and linkage of professional qualification milestones to remuneration to help retain talent and reduce turnover risk, and
- Adopting competitive, transparent, and market-aligned compensation packages by considering increasing domestic and international competition for actuarial talent.

6. Conclusion

This study examined the evolving role of actuarial analysts in Nepal, aiming to understand how their functions are currently organized, perceived, and operationalized within the insurance industry. Actuarial function is one of the key functions for the insurance industry. It is necessary to adopt a long-term and strategic approach to developing in-house actuarial capacity so that the insurance companies become progressively less dependent on foreign experts for routine actuarial functions. While the Appointed Actuary remains essential for statutory opinions and regulatory certification, insurers should actively empower actuarial analysts to contribute beyond compliance-driven tasks. The analysis draws on survey data from actuarial analysts and their supervisors across life, non-life, microinsurance, and reinsurance companies.

Overall, the results indicate that while Nepal's insurance sector has made notable progress in integrating actuarial analysts into key functions such as valuation, product development, and risk, their role development remains constrained by limited training, unclear career progression pathways and retention challenges. Retaining skilled actuarial analysts is not merely a human resource consideration but a strategic imperative. By investing in their growth, expanding their exposure, and recognizing their contributions, insurers can effectively utilize the value generated by actuarial expertise and build a sustainable, self-reliant actuarial function within the organization.

NIA will use the outcomes of the study to enhance the effectiveness of regulatory oversight by addressing identified implementation gaps and capacity constraints within actuarial functions. Additionally, NIA aims to utilize the insights gained from this study to guide the strategies to strengthen the actuarial capacity and support the retention of actuarial professionals in the Nepalese insurance sector.

All stakeholders, including insurers, regulators and actuarial professionals must work collaboratively to build a competent and sustainable actuarial workforce that supports the long-term growth and stability of the Nepalese insurance sector.

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Appendices

Appendix A: Questionnaire- Survey of Actuarial Analysts

Nepal Insurance Authority (NIA) conducted a survey with all the Actuarial Analysts currently working with Insurers and Reinsurers in Nepal. Actuarial Analyst is a person who is hired to work in any of the actuarial areas by insurer / reinsurer and meets the eligibility criteria outlined in the Guideline Related to Actuary Appointment for Insurers 2024. Please fill out the survey by providing all the required information.

Section 1: Basic Information

1. Full Name: _____
2. Employed Insurance Company Name: _____
3. Type of Insurance Company
 - Life Insurance Company
 - Non-Life Insurance Company
 - Micro Life Insurance Company
 - Micro Non-Life Insurance Company
 - Reinsurance Company
 - Other (please specify)
4. Official Email Address: _____
5. Contact Number: _____
6. Actuarial Professional Body Affiliation
 - Institute and Faculty of Actuaries (IFoA), UK
 - Society of Actuaries (SOA), USA
 - Institute of Actuaries of India (IAI)
 - Other (please specify)
7. Type of Membership
 - Student Member
 - Associate
 - Fellow
 - Not Applicable
 - Other (please specify)
8. Number of Actuarial Examinations Cleared: _____

9. Post-Graduation Work Experience in the Actuarial Field (in years): _____

10. Date of Appointment with the Insurer/Reinsurer: _____

11. Current Position in the Company (Equivalent to)

- Assistant
 - Officer
 - Manager
 - Other (please specify)
-

Section 2: Practice Areas and Key Tasks Performed

12. Assigned Department(s) / Practice Area(s)
(Multiple responses allowed)

- Product Development and Research
- Valuation
- Reinsurance
- Claims
- Underwriting
- Risk
- Finance
- Other (please specify)

14. Key tasks performed under Product Development and Pricing
(Select "Not Applicable" if not involved)

- Assumption setting
- Methodology development
- Modelling, including profit testing
- Market research
- Technical note preparation
- Communication with Actuary, Company, and NIA
- Not Applicable

Other (please specify)

16. Key tasks performed under RBC QRRT and Valuation
(Select "Not Applicable" if not involved)

- Asset valuation (Mark-to-Model)
- Liability valuation
- Actuarial valuation report preparation
- Populating QRRT templates
- Communication with Actuary, Company, and NIA
- Not Applicable
- Other (please specify)

18. Have you been involved in developing and implementing the ORSA process?

- Yes
- No

19. Please describe your involvement with the supervisor and Appointed Actuary in implementing the ORSA process.

20. Are you maintaining a work log as required by the guideline?

- Yes
- No

21. If the response to above question is 'No', please provide reasons.

22. Have the tasks assigned to you helped you comply with yearly Personal and Professional Development (PPD) requirements?

- Do not contribute
- Contribute partially
- Contribute mostly
- Contribute fully
- Not applicable

Section 3: Communication with the Appointed Actuary

22. Do you have direct communication or interaction with the Appointed Actuary?

- Yes

No

23. Are you provided with on-the-job training by the Appointed Actuary?

Yes

No

24. If the response to above question is 'Yes', please describe how the training arrangements have been set up and executed.

25. If yes, please specify the duration of training received:

Below 10 hours

10 hours and above

25. Briefly describe the types of training provided by the Appointed Actuary.

Section 4: Workplace Satisfaction and Professional Growth

26. Please indicate your level of satisfaction with the following aspects of your workplace:

<i>Aspect</i>	<i>Highly Dissatisfied</i>	<i>Slightly Dissatisfied</i>	<i>Slightly Satisfied</i>	<i>Highly Satisfied</i>
<i>Exposure to actuarial work</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Supervision and guidance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Training opportunities</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Career progression</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Compensation package</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

27. On a scale of 1–5, how clear are your manager’s/supervisor’s expectations regarding your role?

(1 = Highly unclear, 5 = Highly clear)

28. What additional resources would help improve your competencies in your role?

Section 5: Challenges and Suggestions

33. What challenges did you face during the job-seeking process?

34. Please provide suggestions, if any, for betterment of Actuarial Analyst function, including how Actuarial Analyst can add more value to the company and the industry.

35. How can the Nepal Insurance Authority (NIA) support the development of the Actuarial Analyst function? Please provide suggestions, if any.

Appendix B: Questionnaire- Survey of Supervisors

Nepal Insurance Authority (NIA) conducted a survey with the managers or supervisors of all the Actuarial Analysts currently working with Insurers and Reinsurers in Nepal. Actuarial Analyst is a person who is hired to work in any of the actuarial areas by insurer / reinsurer and meets the eligibility criteria outlined in the Guideline Related to Actuary Appointment for Insurers 2024. Please fill out the survey by providing all the required information.

Section 1: Basic Information

1. Full Name: _____
2. Employed Insurance Company Name: _____
3. Type of Insurance Company
 - Life Insurance Company
 - Non-Life Insurance Company
 - Micro Insurance Company
 - Reinsurance Company
4. Position in the Company: _____
5. Department(s)
(Multiple responses allowed)
 - Product Development and Research
 - Valuation
 - Reinsurance
 - Claims
 - Underwriting
 - Risk
 - Finance
 - Actuarial
 - Other (please specify)
6. Official Email Address: _____
7. Contact Number: _____

Section 2: Basic Information Regarding Actuarial Analysts

8. Does your company employ Actuarial Analysts?

- Yes
- No

9. If your response to Question 8 is "No," please state the reasons for not employing Actuarial Analysts.

(Please write "Not Applicable" if your company employs Actuarial Analysts.)

10. How many Actuarial Analysts does your company currently employ?

- 0
- 1
- 2
- 3
- 4 or more

11. Key areas of involvement of Actuarial Analysts in your company

(Multiple responses allowed)

- Product Development and Pricing
- RBC QRRT and RBC Valuation
- Development and Implementation of ORSA
- Reinsurance
- Underwriting
- Claims
- Risk
- Accounting and Finance
- Other (please specify)

12. Are you aware that Actuarial Analysts maintain a work log as required by the guideline?

- Yes
- No

Section 3: Communication with the Appointed Actuary

13. Do Actuarial Analysts in your company have direct contact with the Appointed Actuary?

- Yes

No

14. Does the Appointed Actuary provide on-the-job training to Actuarial Analysts in relevant tasks?

Yes

No

15. If yes, please specify the duration of training provided:

Below 10 hours

10 hours and above

Section 4: Need for Actuarial Analysts and Their Performance

16. On a scale of 1–5, how would you rate the need for Actuarial Analysts in your company?
(1 = Not essential, 5 = Very essential)

17. Please indicate your level of satisfaction with the following aspects of Actuarial Analysts' performance:

<i>Aspect</i>	<i>Highly Dissatisfied</i>	<i>Slightly Dissatisfied</i>	<i>Slightly Satisfied</i>	<i>Highly Satisfied</i>
<i>Technical proficiency</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Communication skills</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Problem-solving abilities</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Professionalism</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Examination progress</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Overall performance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. On a scale of 1–5, how would you rate the value added by Actuarial Analysts considering the cost of recruiting and retaining them?
(1 = Insignificant value, 5 = Significant value)

19. Does the performance review of Actuarial Analysts in your company include feedback from the Appointed Actuary?

Yes

No

Section 5: Retention of Actuarial Analysts

20. What aspects are emphasized in your current strategy to retain Actuarial Analysts?
(Multiple responses allowed)

- Competitive salary
- Study package (study leave and study materials)
- Reimbursement/ Sponsorship Exam fees
- Salary increase tied up to exam progress
- Sponsorship membership fees
- Satisfactory career progression
- Training and guidance
- Exposure to relevant work
- Internal promotion
- Other (please specify)

21. What challenges does your company face in retaining Actuarial Analysts?
(Multiple responses allowed)

- Lack of relevant exposure
- Lack of mentorship
- Lack of career progression
- Non-competitive remuneration package
- Better career opportunities within Nepal
- Better career opportunities outside Nepal
- Leaving the country for higher studies
- Other (please specify)

Section 6: Suggestions

22. Please provide suggestions, if any, for betterment of Actuarial Analyst function, including how to enhance the benefits from Actuarial Analysts to the company and the industry.

23. How can the NIA support the improvement of the Actuarial capacity? Provide suggestions, if any.
