



## **Cooperative Education Report**

**Title: Promotion Strategy of Nepal Life Insurance Company Limited**

**Written by**

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**This Report Submitted in Partial Fulfillment of the Requirements for Cooperative  
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Siam University**

**Title** : Promotion Strategy of Nepal Life Insurance Company Limited  
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We have approved this cooperative report as a partial fulfillment of the cooperative education program semester 2/2018.

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**Project Title** : Promotion Strategy of Nepal Life Insurance Company Limited

**Credits** : 6

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**Degree** : Bachelors of Business Administration

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### **Abstract**

The cooperative report entitled Promotion Strategy of Nepal Life Insurance Company has the goal to study Product Promotion Strategy of Nepal Life Insurance Company. The objectives of the study include: (1) to identify the promotion strategy of Nepal Life Insurance Company, (2) to describe the roles and activities in the branch office. The report basically focuses on the overall insurance activities especially highlighting the functional departments like Marketing department, Underwriting department and Account department. The main reason for which the internee had selected Nepal Life insurance company was the opportunity that the company provided to learn about working environment, marketing skills and various training such as Sales skills, Customer Relationship and Motivational Aspect Development. The learning outcomes include the professional experience by exposing to the corporate culture and implementing practical knowledge.

*Keywords: Promotion Strategy, Branch Office, Underwriting, Insurer, Insurance*

## **Acknowledgement**

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I would also like to express my sincere gratitude to my organization supervisor Mrs Sanjay Gasi Shrestha for supervising me during the internship and Dr. Chanatip Suksai my academic supervisor for guiding me for report writing.

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Pralin Shrestha

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## **Chapter 1: Introduction**

“Life insurance is a form of insurance that pays monetary proceeds upon the death of the insured covered in the policy. Essentially, a life insurance policy is a contract between the named insured and the insurance company wherein the insurance company agrees to pay an agreed upon sum of money to the insured's named beneficiary, so long as the insured's premiums are paid current” (Educate: A+ Insurance, 2019). With a large population and the untapped market area insurance happens to be a very big opportunity in Nepal.

In insurance the insured makes payment called “premiums” to an insurer, and in return is able to claim a payment from the insurer if the insured suffers a defined type of loss. The relationship is usually drawn up in a formal legal contract.

### **Life insurance**

Life insurance can be defined as “an arrangement by which a company or the state undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium” (Google, 2019).

### **Need for Life Insurance**

The need to safeguard the family brings the need for life insurance. Today insurance has become even more important due to the disintegration of the prevalent joint family system, in which a number of generations co-existed in harmony, and a system in which a sense of financial security was always there as there was more earning member.

Life Insurance ensures that a person gets better prepared to face the uncertainties in following ways:

### **Protection**

You need life insurance to be there and protect the people you love, making sure that your family has means to look after itself after you are gone. It is a thoughtful business concept designed to protect the economic value of human life for the benefit of those financially dependent on him.

### **Saving and investments**

Insurance is a means to Save and Invest. Your periodic premiums are like Savings and you are assured lump sum amount on maturity. A policy can come in really handy at time of your child's education or marriage. Besides, it can be used as supplement retirement income.

### **Tax Benefits**

Life insurance is one of the best tax saving option today. Your tax can be saved twice on life insurance policy- once when you pay your premiums and once when you receive maturity benefits. Money saved is money earned.

## **1.1 Company Profile**

Nepal life Insurance Company

Nepal Life Insurance Company was established under the Company Act 2053 and Insurance Act 2049 as a public limited company on 04/05/2001. Nepal Life Insurance Company is life Insurance Company established by private investors. Within the sixteen years of operation the Company has set up an excellent business record and has a strong financial position (Nepal Life Insurance Company, 2019).

The company has capital of Rs. 500 million and Paid-up Capital of Rs.309.64 million. As on June 2017, the company has insured 8,27,366 under conventional policies worth Rs.19,527 million and 14,24,026 Foreign Expatriate policies worth Rs.82,483 million. Out of the total premium collected the company has invested Rs. 4,750 million as per guidelines of Bima Samiti. The company has insured itself with well-known reinsurance company "Hannover Re Life Reinsurance Company", Germany (Nepal Life Insurance Company, 2019).

**Vision:**

To endeavor the noble institution of life Insurance in making every family economically safe and secure where by every citizen of Nepal may contribute his might in building a healthy, prosperous, strong and vibrant nation (Nepal Life Insurance Company, 2019).

**Mission:**

To cater to financial and social needs of every segment of society by designed differentiated and innovative insurance instruments. To provide after sale service to customer that can be availed as the best (Nepal Life Insurance Company, 2019).



## 1.2 Organization Structure

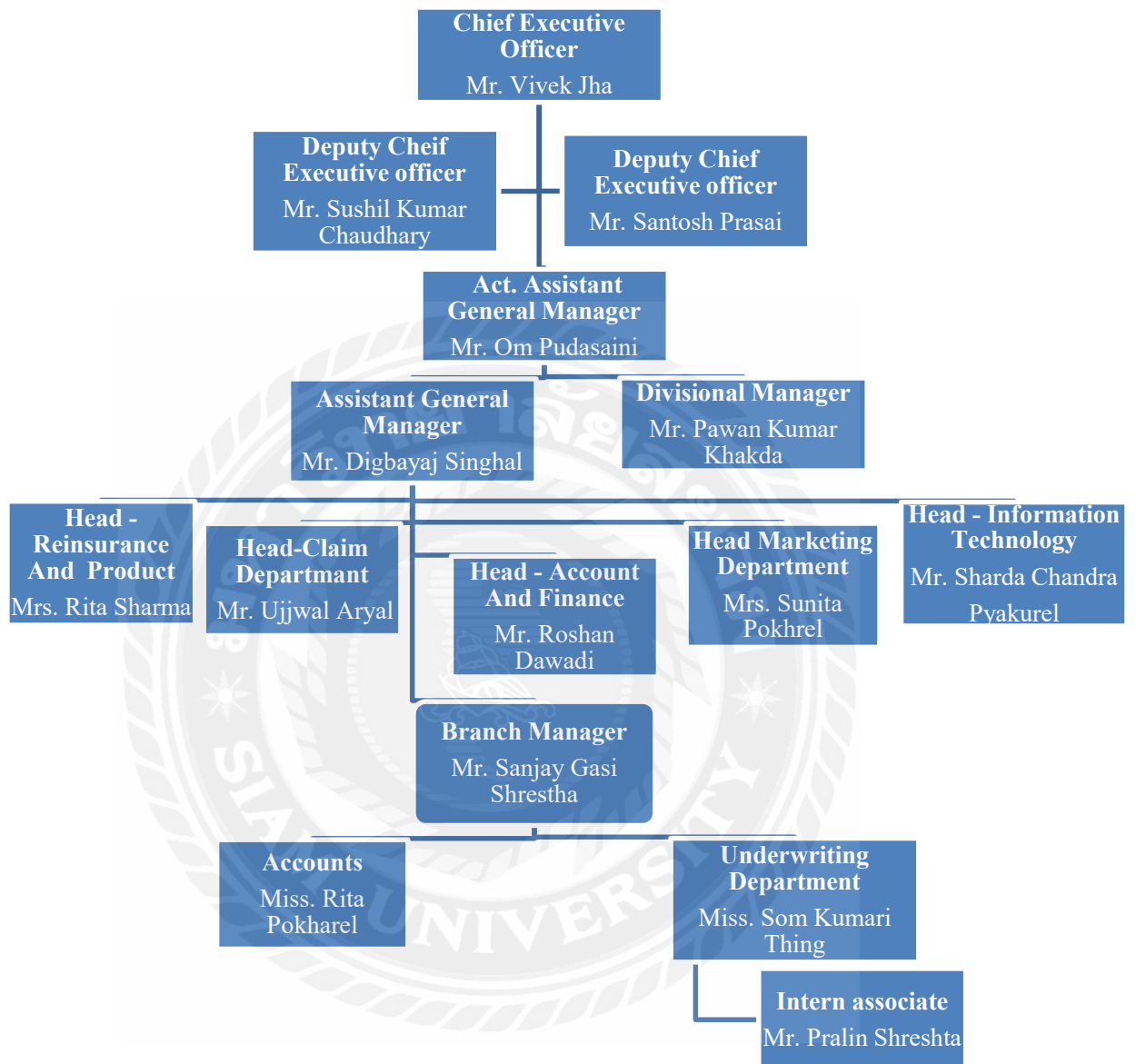


Figure: Management Team of Nepal Life Insurance Company (Nepal Life Insurance Company, 2019).

### **1.3 Statement of report**

This report is made for the completion of undergraduate degree of Siam University. The internship was completed in Nepal life Insurance Company, Bhaktapur branch of Nepal. It is the first insurance company that focused only on life insurance. The main motive of my internship was to enhance my learning in marketing, customer service and experience.

### **1.4 Objectives of the study**

The objectives of the study are:

1. To identify the Product Promotion of Nepal Life Insurance Company
2. To describe the roles and activities in the branch office.

### **1.5 Role and responsibility of the student**

As an intern I was working under underwriting department. In underwriting department we had to entry new policy. It verifies whether a person is eligible to insurance by the company. It checks the health condition of the insurer.

Besides working in underwriting department I also worked under branch manager. I observed him convincing customer to buy various policies.

I was also keeping record of death claims. It was task given by Claim Department.

I also recorded new license of marketing agent from various districts. It was task given by marketing department.

## **Chapter 2: Internship Activities**

### **2.1 Assignment and responsibility of the student**

The assignment and responsibility of the student given by the company are as follow:

#### **1 To entry new policy**

It was assigned by underwriting department of branch office, Suryabinayak, Bhaktapur. I had to check the form filled by customer and entry it into the computer system.

#### **2 To list underwriting sheets**

It was assigned by underwriting department of head office, Kamaladi, Kathmandu. I had to list the underwriting sheets of policy that has been approved by the head of department.

#### **3 To record agent code of marketing agent from various districts**

It was assigned by marketing department of head office. I had to record the agent code of new marketing agent from various district which was sent from the branch offices.

#### **4 To scan underwriting sheets**

It was assigned by underwriting department of head office. I had to scan the underwriting sheets and put stamp on those sheets.

#### **5 To prepare document for training class of new marketers**

It was assigned by branch manager of Kamal Binayak branch. I had to prepare necessary material required for the training which include pen, abhikarta talim nirdesika i.e. book for trainee, insurance form and note book.

### **Chapter 3: Promotional Strategy of Nepal Life Insurance Company**

Nepal Life Insurance Company is the first life insurance company that focuses only on insurance of individual's life. It was a major strategy by Nepal Life. The promotional strategies of Nepal Life Insurance Company are as follow:

1. Nepal Life Insurance Company recruits marketing agents every month.

Nepal life organizes four days training program for interested people. It requires mark sheet of either School leaving Certificate or Higher Secondary Education board, Character Certificate, Citizenship card, four passport size photo and Rs.1,050.00. In every branch 10 to 15 marketers are recruited every month that bring in the policies, i.e. selling insurance products. There are more than two lakh actively working marketing agents in Nepal Life insurance company who bring in policies.

2. Loan

To encourage marketing agents, it uses various strategies such as: The Company provide bike loan to those agents who bring in policies that sum up to Rs.500,000.00 and above .

3. Incentives

The company pays cash incentive in each policy. The incentive varies with premiums each insured pays. The company also provides incentives such as Nepal life Dairy and Executive bags.

4. Tour

The company also organizes picnic, a time to refresh their mind within Nepal and it also take tours in foreign land for marketing agents to motivate them.

5. Training classes

The company provides various training such as Sales skills, Customer Relationship and Motivational Aspect Development for marketing agents and staffs time to time.

6. Senior agency manager.

At first a marketing agent has to collect Rs.500,000.00 premium and 10 policy which qualify them to be promoted to branch coordinator. A branch coordinator gets commission of 4 percent from each marketing agent for a policy they sell. A branch manager have to collect Rs.1,500,000.00 premium and 20 policy or Rs.2,250,000.00 premium to be promoted to agency manager. A agency manager have to collect Rs.10,000,000.00 premium to be promoted to senior agency manager. A agency manager gets Rs.10,000.00 to Rs.52,000.00 cash on a monthly basis for office setup depending upon their performance.

## **Chapter 4: Identification of Problem Encountered during the internship**

### **4.1 Indicate how you successfully solved the problem**

At the beginning of my internship I was not being able to cooperate with the environment of the office. I was afraid of asking question. I was not exposed to real life problems that a marketer faces while convincing a customer to buy a policy. At the beginning of my internship I was working shorter hours only. There was not enough work assigned to me. I was bored at the beginning of the work. They gave me early break from the actual working schedule. After three weeks, I was working for longer hours. I was reaching home late.

### **4.2 Provide some examples**

The problem of not being able to cooperate with environment of office was solved by the help of Mr. Ujjwal Arayal, he made me sing in front of all staff member of office which help me to cooperate with them. It also helped me to overcome the fear of asking question.

After taking training program of Nepal life insurance company the branch manager allowed me to sell a product. The first product sold was Naulo Jeevan Shmidhri Bima Yohana which was of Rs.200,000.00. while selling this product I learned one has to be cheerful, patient and responsive to customer.

## **Chapter 5: Contribution and Learning Process**

### **5.1 Contributions of student made during the internship**

I checked the form filled by customer and entry it into the computer system. In this process I learned that a form should be filled with correct information. I had to list the underwriting sheets of the policy that has been approved by the head. While listing underwriting sheets I learned that each underwriting sheet is coded with a code that helps to identify it. I had to record the agent code of new marketing agent from various district. While recording agent code from various district I learned that when we have active manpower for work we move better in our task. I had to prepare necessary material required for the training. While preparing document for training of new agents I learned that to run a class it requires a lot of preparation.

### **5.2 Details of the related learning process and new knowledge student has received**

Learning is either by observing or by doing. Internship was a great opportunity to observe as well as to work. This internship program helps to gain professional working experience in corporate environment. Some of the important lessons learnt during internship are given below.

#### **Workplace Ethics**

The most important lesson learned during internship was workplace ethics. It helped to understand the importance of discipline, punctuality, attire and responsiveness in an organization.

#### **Organizational Culture**

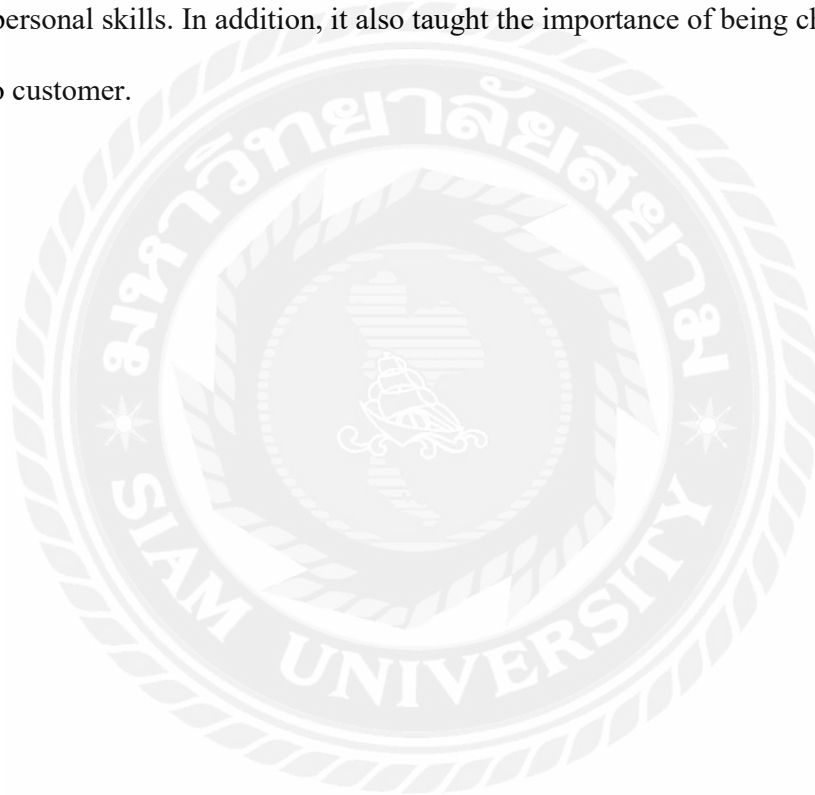
Every organization has its unique way of performing day-to-day activities and has its own set of value. Employees must follow the organization's culture.

## **Communication Skills**

Right information should be communicated to right person. Wrong information incurs loss to the organization. While working internee learnt the importance of communication and developed communication skills through interacting with customers and employees.

## **Interpersonal Skills**

Working at underwriting department and interacting with customers was an opportunity for developing interpersonal skills. In addition, it also taught the importance of being cheerful, patient, and responsive to customer.





## **Chapter 6: Conclusion**

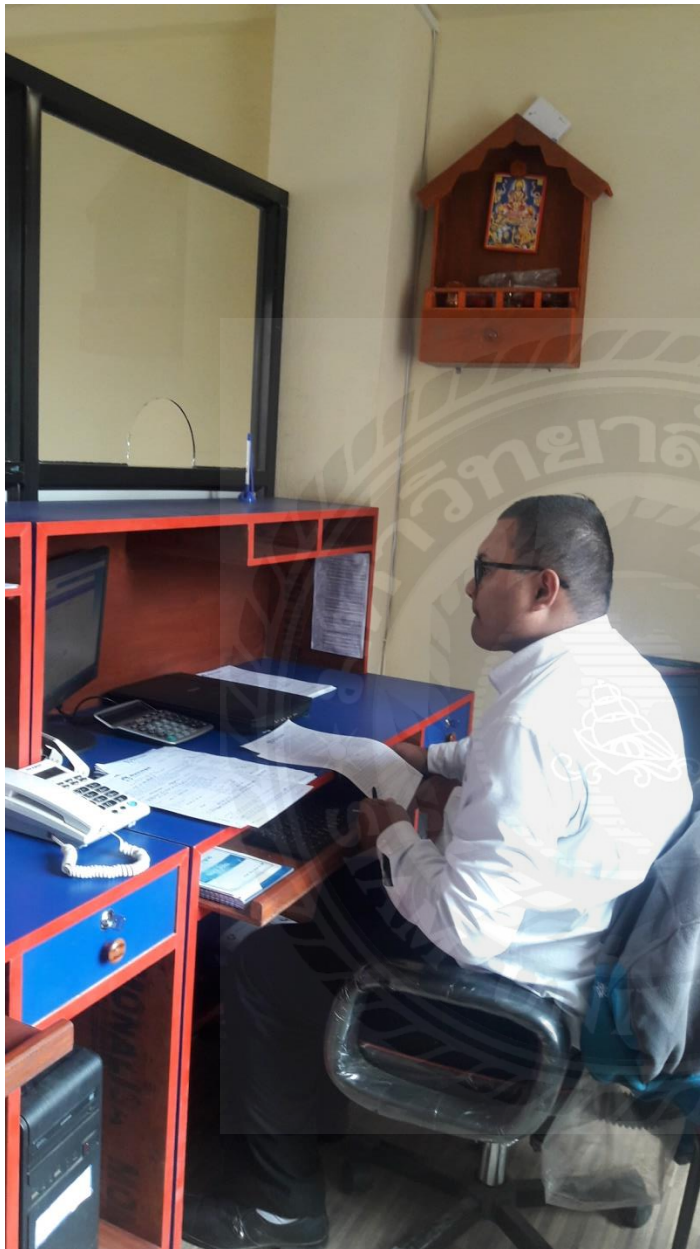
### **6.1 Self-assessment as a Professional**

For undergraduate students like myself, internships are very good opportunity for getting ready for the corporate world. I strongly believe I was able to contribute to the organization in a fully professional manner with my utmost dedication. I completed my responsibilities and task within the given time frame. By showing the proactive approach in the entire task, I was able to leave a good impression on my seniors and supervisors. And because of this, my supervisor has taken in as marketing agent for the company. The internship has helped me to develop as a professional individual and improve my communication skills.

Insurance is a superior tool to other forms of savings as it provides protection, collective bearing of risk, assessment of risk, certainty factor, easy liquidity and above all the safest means of savings and investment. During the course of my internship with Nepal life Insurance Company, I got the opportunity to learn a lot about insurance in general and was able to study in detail the various plans offered by them. This also provided me with exposure to be able to understand the insurance better and the various benefits attached to it.

The internship has provided me with enough confidence to work as professional individual.

## Annex



The above picture shows Underwriting of a new policy.



The above photo demonstrates the scanning process of a document.



Mr. Ujjwal Aryal

Head of Claim Department



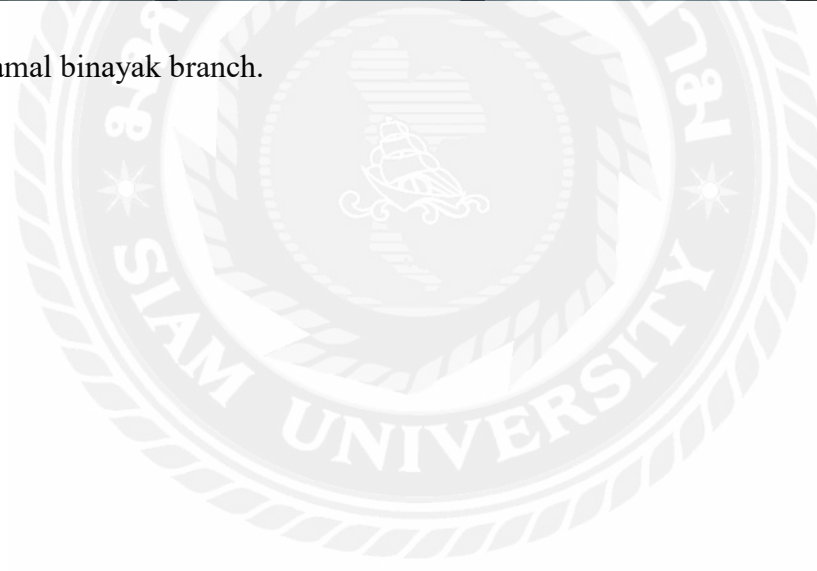


Mr. Sanjay Gasi Shrestha

Branch Manager of Kamal Banayak



The office of Kamal binayak branch.



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