

PRINCIPLES OF INSURANCE

Rabindra Ghimire, PhD

Associate Professor
School of Business
Pokhara University

B U D D H A



P U B L I C A T I O N S

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FOREWORD

The importance of insurance has been realized gradually by academicians and professionals, as well as policymakers and development organisations. Nepalese universities also gradually have been introduced the Risk Management and Insurance related courses in undergraduate level but hardly the course is taught in the master and research level. During the last decade, demand of the risk and insurance related study material has been tremendously increased. There are plenty of books written in foreign context but merely books are written considering the Nepalese business and society. The book is an attempt to fulfil the demand of teachers, students, practitioners.

I hope the book **Principles of Insurance** is useful for professionals and academicians who are working in academic sector as well as in the industry, and wants to know both theory and practices. The book may be useful to the teachers and students of different universities specially from the management stream.

The book has been divided in four parts and 16 chapters. **First part** includes two chapters. First chapter discusses about the fundamental of risk management and insurance including the risk management practices in Nepal. Second chapter deals with the theory of insurance and discusses on the fundamental legal principle of insurance and insurance contract.

Second part includes six chapters. Each of the chapters under the second part discusses about the different types of insurance products like life, general, health, reinsurance, social, and microinsurance. Third and fourth chapters discuss on theoretical perspectives while fifth to eighth chapters deal with theory as well as the Nepalese practices.

Third part includes six chapters. Ninth chapter discusses on theoretical perspective of insurance regulation and Nepalese practices. Tenth chapter focuses on the legal aspects of the intermediaries and Nepalese practices. Eleventh chapter is related to underwriting and claim management theory and practices. Twelfth chapter highlights the operation of insurance companies while thirteenth and fourteenth chapters discuss on general management and financial management of the company.

Fourth part has two chapters. Each of the chapters highlighted the Nepalese life and nonlife insurance market with updated facts and figure.

Acknowledgement

The book has been prepared based on the literature published by scholars and professionals, academic organisations, regulators and operators. It is my duty to express the gratitude to all intellectuals whose materials have been consulted while preparing the manuscript. All the sources have been duly mentioned in the bibliography and useful websites are also given end of each chapter.

First of all, I am indebted with my respected gurus Prof. Fatta Bahadur KC (TU), Prof. Prashant Kumar (BHU), Prof. Rajan Bahadur Paudel (TU), and renowned scholar W. Jean J. Kwon (Edwin A.G. Manton Chair Professor in International Insurance and Risk Management, St. John's University, USA) for their inspiration and academic consultation. It is my duty to thank the officials of Beema Samiti (Insurance Board of Nepal) for the updated data. Similarly, I never forget the support that I have obtained from all commercial insurance companies of Nepal.

I am obliged to my parents Devidas and Indira for their love and care, wife Mina for her support and encouragement, kids Anubhuti and Aavash for their tolerance and serenity in course of preparing the manuscript.

The credit also goes to the Managing Director of Buddha Publication Mr. Nabaraj Bajgain, for publication and designer Mr. Jagadhish Banskota and Mrs. Gyanu Karki designing and formatting.

I would like to request my wise readers for the constructive suggestions and appeal for pointing out the errors. Mistake will be corrected and suggestion will be accommodated in next edition.

Rabindra Ghimire, PhD
Pokhara

Email: rabindrag.pu@gmail.com

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