



लाइफ इन्स्युरेन्स कर्पोरेशन (नेपाल) लिमिटेड  
Life Insurance Corporation (Nepal) Ltd.  
(A Joint Venture of Life Insurance Corporation of India)



## **LIC (Nepal) Limited.**

### **REQUEST FOR PROPOSAL**

#### **APPOINTMENT OF ACTUARY/ ACTUARIAL CONSULTANCY FIRM FOR LIC (NEPAL) LTD.**

Life Insurance Corporation (Nepal) Limited is one of the leading life insurance companies operating in Nepal since 2001. In accordance with Section 5 (Gha) of the Insurance Act 2079 issued "Actuarial Valuation Directory for Life Insurance Companies-2077, LIC (Nepal) Ltd. is seeking to appoint an actuarial consultant/firm in Nepal for providing end-to-end actuarial solution & services and valuation services.

#### **Introduction.**

Life Insurance Corporation (Nepal) Limited is one of the largest life insurance companies in Nepal with ISO 9001:2015 certification. It is a joint venture of LIC of India & Vishal Group, a reputed business group of Nepal. The company is running as a Public Limited Company and is listed in Nepal Stock Exchange (NEPSE).

LIC (Nepal) Ltd. is seeking to appoint an Actuary/ Actuarial Consultancy Firm in Nepal for end-to-end Actuarial solution & services and valuation services.

LIC (Nepal) Ltd. has an overall life insurance portfolio of approx. 967,686 life-insurance policies out of which 709,780 were inforce as at 16.07.2022 (end of F.Y. 78-79/21-22). Every year approx. 75,000 new policies are added. Financial year followed by LIC (Nepal) Ltd. is from mid of July to mid of July next calendar year and thus annual closing takes place every year as on mid of July.

The total assets managed by the Company are about US \$ 871 million (NPR RS.113251 million). The investments are managed in-house in line with the Investment Policy as per the latest Investment directive issued by the Nepal Insurance Authority as on 06/12/2022.

The company is currently selling/servicing 26 life insurance products in Nepal. More details will be provided to the short listed/selected actuarial firm.

As per the Nepal Insurance Act 2079 and Actuarial Valuation Directives 2077 for Life Insurers, the Actuary/Actuarial firm has to be approved by the local regulator, Nepal Insurance Authority (NIA) and thus it is necessary that the interested firm shall have thorough understanding of the local rules and regulations and be familiar with the NIA guidelines/requirements and the firm holds the required qualifications and competence, has proven experience and adequate resources to perform its functions at Nepal.

**According to Valuation Directive 2077, key duties of Appointed Actuary for the purpose of actuarial valuation:**

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फोन: ४०१२६१३, ४०१२६१४, फ्याक्स: ९७७-१-४०१२६१५, ई-मेल: liccorporate@licnepal.com.np

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- The Actuary must pay due regard to generally accepted actuarial best practice. Where a materially different practice is adopted from one which is a non-mandatory generally accepted best practice, the Actuary should record the reasons for the practice actually adopted.
- The Actuary shall ensure that all the requisite records have been made available to him or her for the purpose of conducting actuarial valuation of liabilities and assets of the insurer, and that she/he has carefully examined them.
- The Actuary shall recommend transfer of share of surplus arising in life fund for the year ended at the valuation date to shareholders only when the insurer has met the requirement of Required Solvency Margin.
- The Actuary shall carry out the actuarial valuation and any specified actuarial investigations in accordance with this Directive and relevant regulations prescribed by Nepal Insurance Authority.
- The Actuary shall confirm financial soundness of the insurer.
- The Actuary shall advice and make recommendations to the insurer to improve the financial situation, if he or she believes that the insurer is unable to meet the liabilities to policyholders as they fall due, either as a result of insufficient financial resources or other reasons.
- The Actuary shall identify, assess, manage and monitor all material risks that can have detrimental impact on the solvency of the insurer.
- If the Actuary considers that the insurer's reinsurance arrangements are inappropriate or inadequate, he or she shall advice the insurer on necessary modifications.
- The Actuary shall judge and decide whether the investment policies/practices pursued by the insurer is appropriate having regard to the nature and term of the insurer's liabilities, the investment available and the Investment Directive. If this is not the case, the Actuary shall advice the insurer of the constraints on investment policy.
- The Actuary shall ensure that the premium rates being charged for new business, and for existing business are fair, taking into account the other resources of the insurer. In particular, they should be sufficient to enable the insurer in due course to meet its emerging commitments under the policies.
- The Actuary shall ensure that the nature and timing of allocations of profits to policyholders and/or shareholders are in accordance with this Directive.

#### Eligibility criteria:

The Actuarial firms / Actuaries interested to respond shall meet the minimum basic criteria as defined below.

- The Actuary/Actuarial firm has to be approved by the Regulator and thus it is necessary that, the interested firm shall have thorough understanding of the local rules and regulations and familiar with the Nepal Insurance Authority (NIA) guidelines/requirements and the actuary holds the required qualifications and competence as laid down by NIA.
- The Actuary must have the necessary skill and experience to provide appropriate actuarial advice.

At a minimum, the person appointed as Actuary must:

- Be a Fellow of any of the following actuarial professional bodies:
  - Institute and Faculty of Actuaries, UK
  - Institute of Actuaries of India
  - Society of Actuaries, USA
  - Canadian Institute of Actuaries

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5. Institute of Actuaries of Australia
6. Worldwide recognized other professional bodies of actuaries.
- b. Actuary shall submit all of the required documents to Nepal Insurance Authority (NIA) in his/her professional capacity.
- c. Actuary shall disclose his/her certificate of membership, Certificate of Practice (COP) / Continuous Professional Development (CPD credits and a declaration that he/she is not disqualified on the grounds mentioned under (f) below.
- d. Appointed Actuary shall carry out the functions of only one insurer in Nepal.
- e. Appointed Actuary shall have a post-fellowship experience of at least two years in life insurance business.
- f. Disqualifications:  
An actuary shall be disqualified if he/she:
  - i. Is held guilty by, or disciplinary action is pending in, any professional body / court / any public authority;
  - ii. Is above the age of 75 years;
  - iii. Has not renewed the membership of the concerned professional body;
  - iv. Is not mentally sound.

#### Process:

NIA requires the actuaries to fill up form no. BS-AA-Life. Apart from that actuary must hold required qualifications and submit following documents:

- i. Expression of interest
- ii. Curriculum vitae
- iii. Certificate for age verification
- iv. Fellowship certificate
- v. COP\CPD fulfillment
- vi. Experience letter

The firms/independent actuary have to furnish the following information in their proposal

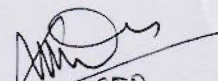
1. Company information, key persons, experience in providing actuarial consultancy services including approved persons role.
2. Details of the person who will provide the services of Actuary. Please include CV.
3. Details of the actuarial software to be used for the provision of services and preparation of Valuation data and all kinds of reports for regulator/authorities etc.
4. The Actuarial firm shall quote their Fixed cost per annum for the providing its services.
5. Exit clause (if any).
6. On selection of the Actuarial firm, LIC (Nepal) Ltd. will be conducting background checks on the named individual before filing application with the NIA for approval of the said role.
7. The selected actuarial firm will be provided with a copy of the last financial year's (as at 16th July 2022) valuation- & financial report for study and compliance.

Interested Actuarial Firms are requested to respond not later than 17<sup>th</sup> March, 2023, through an email, with signed and scanned proposal at email-ID ([liccorporate@licnepal.com.np](mailto:liccorporate@licnepal.com.np)).

Any further queries or request for more information may be addressed to the same email ID.

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CEO  
LIC Nepal Ltd

