



Full length article

Analyzing the Determinant Factor of Corporate Governance with respect to General Insurance Industry in Nepal

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ABSTRACT

This article analyzes the theoretical and empirical relation between determinant factors of corporate governance and general insurance industry. The determinants were identified and tested relating to general insurance industry in Nepalese context. The mixed method of sequential strategy was employed for collecting the survey data. An empirical analysis was done based on the perception and experiences of 233 employees who have been working in four insurance companies (NECO Insurance Co. Limited, Sagarmatha Insurance Co. Limited, Rastriya Beema Co. Limited, and Shikhar Insurance Co. Limited) of Nepal. The data were collected from five scale Likert structured questionnaires, and the survey data was inferences by correlation and regression analysis tools. The resulting survey data was triangulated with key informants' views. The findings hold significant value for multiple stakeholders. Insurance executives gain practical insights for governance improvement, regulators receive evidence-based policy guidance, and investors acquire tools for more informed decision-making. As Nepal's insurance industry continues to evolve, these insights can inform both immediate reforms and longer-term governance development. It is collectively suggested that Nepal's insurance sector has established a solid base of governance practices but faces several areas for improvement.

1. Introduction

The general insurance industry is a vital sector, which strengthens insurance companies to promote and accelerate the national economy. The industry applies various mechanisms to manage its business for sound governance and to protect the interests of its stakeholders. The general insurance industry has been conducting within an established framework of governance in Nepal. However, there are significant risks for investors to grow their business within this country. The insurance industry can play an instrumental role in mitigating business risks. The primary role of the general insurance industry is to offer financial security and stability to both individuals and the business sector. It is a requirement to promote investors by providing them with protection against risks such as accidents, natural calamities, political instability, and other such perils.

Promoting investors within the existing framework of governance is a vital challenge for the general insurance industry.

As such, governance systems can be very influential in the promotion of business activity. Governance systems can be energetic in terms of time, place, society, and socio-economic systems. Nepal is promoting corporate governance in the country with the aim of developing and extending the insurance sector in the country. Corporate governance can be defined as the long-term management of the company (OECD, 2010 cited in Khatab et al., 2011). It is the system or structure that guides the management of an organization with the target of promoting economic growth and morality. According to Muriithi (2009), corporate governance is not necessarily a fixed formula; it is dynamic in nature and can be seen as the dynamic source of strength. As such, the enhancement of the general insurance industry in terms of the dynamic strength of corporate governance is an issue of great importance.

Mang'unyi (2011) frames corporate governance as an internal structure made of humans, signals and processes. In this frame, one of the primary factors is the board of directors, which must be made from a numerous combination of impartial contributors with relevant skills and experience. A properly structured board is required no longer only to offer strategic direction, but also for effective inspection of government decisions. Failures in governance have historically caused fraud, misconduct or even bankruptcy. The major governance column rejection, transparency, compliance and inspection should be strictly implemented. When they are ignored, the risk of financial and reputable damage increases, leading to the integrity and stability of the insurance sector.

The insurance companies have been working based on Insurance Act 2074 and the IA Directives (especially 2080), complemented by the Company Act 2063, and the like. These rules and regulations are made based on system of corporate governance. In this context, this study searches for to what extent oversight of board and accountability, discipline and transparency and regulatory compliance effects on general insurance industry. In this regard, a detailed study is needed to enhance the performance of general insurance industry in Nepal.

2. Literature Review

In the corporate service business industry, responsibility, accountability, transparency, and fairness cannot be over emphasized by organisations (Najjar, 2012). In the insurance industry, governance is critical for long-term success, supporting shareholder and stakeholder wealth (Momoh & Ukpog, 2013). The essence of corporate governance is to assure transparency, investor protection, and alignment with stakeholder interests, though governance mechanisms vary across countries—such as family ownership in Taiwan versus equity markets in Anglo-American economies. Numerous international non-life insurers have failed due to directors misusing funds meant for guaranteed annuity policies. Sweden's largest insurer suffered reputational damage in 2003 when executives misused corporate assets, and Nigeria's Lion of Africa Insurance was liquidated in 2007 following a board crisis. According to Nwachukwu (2007), good corporate governance positively links to national economic growth. Directors unaware of enforcement mechanisms may mislead investors, prompting countries to strengthen governance and investor confidence.

The impact of corporate governance on the insurance industry's performance Momoh, Z., & Ukpog, M. (2013); Nwachukwu, C. (2007); Berglund, T. (2004); Okpara, J. O. (2008). A robust body of literature confirms a positive

link between responsible business conduct and long-term financial performance. This connection is driven by stakeholder demands for transparency and social commitment, pushing firms towards sustainable practices. The shift from a "shareholders only" model to a broader stakeholder approach has made corporate governance (CG) a central concern, especially after high-profile scandals linked to information asymmetry. Key drivers of firm performance include financial disclosure quality, which enhances transparency and investor confidence, and environmental disclosure, through which firms gain legitimacy by addressing ecological concerns aligned with the UN's Sustainable Development Goals. Concurrently, IT adoption facilitates operational modernization and service access, bolstering sustainability and customer preference. Effective CG mechanisms, such as board composition and audit committees, ensure legal compliance and protect shareholder interests. As evidenced in emerging economies like Bangladesh, integrating these disclosure practices with strong governance is essential for sustainable growth without incurring environmental costs

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unaware of enforcement mechanisms may mislead investors, prompting countries to strengthen governance and investor confidence. Key drivers of firm performance include the quality of financial disclosure (Musleh Alsartawi, 2018) and environmental disclosure (Burgwal & Vieira, 2014; Ham et al., 2016), while effective governance mechanisms ensure legal compliance and protect shareholder interests (Crifo et al., 2019; Dony et al., 2019).

Corporate governance impact on general insurance industry in different countries varied from quite positive and statistically significant to negative or even insignificant. In this context, this study has tried to find its determinant factors. In fact, corporate governance (CG) is the device of regulations, practices and procedures by which an organization is directed and controlled. Corporate governance basically entails balancing the interests of an organization's many stakeholders, together with shareholders, senior management executives, clients, providers, financiers, the authorities and the community. Most of the scholarly studies at the challenge has focused on analyzing or linking company governance mechanisms or variables to accounting measures of performance consisting of the chief executive Officer (CEO) duality, Board length, and CEO repayment with return on Assets (ROA) as degree of overall performance (Zeitun & Tian, 2007). The board's involvement in the formulation of strategy leads to the making of policies and plans, with the board monitoring and supervising executive performance, before subsequently providing accountability which forms the basis of reviewing strategy for the future.

The results of the agency's expenses are directly interested in day-to-day matters, the ability to manage the resources of companies without effective shareholder control (Berle and Means, 1932). CG has used agency theory which has been developed within the discipline of financial economics (Fama and Jensen, 1983). It is important in both responsibility and governance and emphasize corporate institutions. Corporate governance is generally regarded as leading with "ownership and control" problems such as internal structure and rules of the Director Board; Formation of independent Audit committees; Rules to disclose information to shareholders and creditors and control of management (Fernando, 2013). It gives the board the final right and full responsibility. According to Yakuzzi (2005), corporate administration plays an important role in ensuring that effective policies are meant to induce further performance. In fact, corporate governance systems vary worldwide, suggesting three board model such as The Anglo-American model, The German model and The Japanese model (Fernando, 2013).

CG in stewardship theory holds that directors have a fiduciary duty to act as stewards of shareholder interests, rooted in the belief that they can be trusted.

Managers are required to balance the interests of all the stakeholders under the stakeholder theory; however, the lack of criteria in the theory makes managers unaccountable (Jensen, 2001). Jensen suggests "enlightened value maximization," which maintains the framework of the stakeholder theory with the value of the firm in the long term as the standard for resolving the interests of the stakeholders, thus removing the conflict of multiple objectives.

Resource Dependency Theory is another strategic approach to corporate governance, which focuses on the board as the key link between the company and the resources it needs to succeed, like capital, technology, markets, and political connections (Pfeffer, 1972). Here, the directors act as the key nodes between the company and its environment, which research shows helps reduce uncertainty in decision-making.

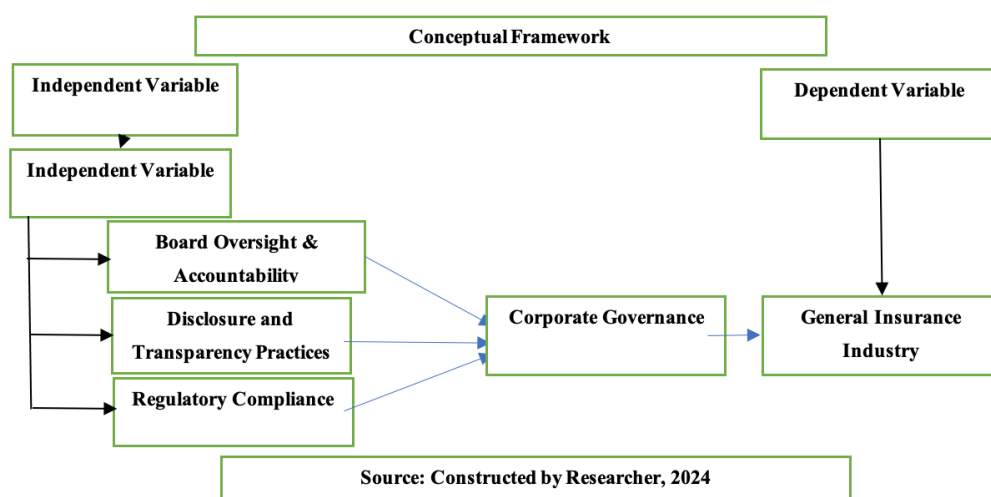
There are several theoretical views on corporate governance available such as organization theory, stewardship concept, stakeholders' concept, resource dependence principle and transaction value theories. The theories related to corporate governance have been adopted to enhance the performance of general insurance industry. In this regard, various scholars have been studied in this context.

Transaction Cost Theory (Williamson, 1975, 1988), Building on Coase (1937), suggests large firms can source goods cheaper internally than through markets — until a break-even point where external markets become more efficient. It focuses on governance processes and control systems. Like agency theory (Shleifer & Vishny, 1997), it assumes self-interested managers, though its focus remains on governance structures rather than board behaviour (Stiles & Taylor, 2001).

Acharya, T. P. (2023) evaluated the extent and influence of major regime elements — transparency, accountability, responsibility and reliability. He found transparency emerged as the most crucial factor in maintaining effective corporate governance methods. Tiwari, U. K., Tiwari, R. K., & Shah, B. (2024) found that when insurance companies adhere to governing standards, they report strong performance. Jitendra Upadhyaya and Ballav Niroula (2022) found that risk assessment elements positively enhance corporate governance. Pandey (2020) found that organisational culture and HR practices have strong relationships.

Conceptual Framework

The system of corporate governance is contextual, which can be different in different countries. The study on determinant factors of corporate governance such as oversight of board and accountability, discipline and transparency and regulatory compliance has not been studied in Nepalese context. This study has examined its impact on general insurance industry. It is important for protecting individuals and businesses from significant and unexpected financial losses resulting from unforeseen events like accidents, natural disasters. The factors have been explained by the mathematical equation i.e. General Insurance Industry = f (oversight of board and accountability, discipline and transparency and regulatory compliance). This equation has been explained in following conceptual framework.



Operational Definition and Hypothesis

- **General Insurance Industry:**

General Insurance Industry: The effectiveness of general insurance industry was analyzed in terms of its performance based on compliance level of respondents. Nepal strengthens the culture of compliance, legitimacy and moral conduct of regulatory standards set by the Insurance Authority (NIA) and courtroom mandates. The government is generally seen as measured and non-disagreeable.

- **Board Oversight & Accountability**

Board oversight inner Nepal's insurance vicinity is basically regarded as powerful, with maximum boards actively concerned in steering organization approach, tracking performance, and upholding moral requirements. Respondents normally perceive their boards as able to supervise management and promote sustainable cost advent. Key strengths lie in strategic alignment, adherence to regulatory frameworks, and the operational presence of audit committees. These elements contribute appreciably to retaining company integrity and oversight. However, issues continue to be round board independence, independent leadership, and the transparency of disclosure practices. Additionally, troubles tied to recruitment, motivation, and boardroom variety present ongoing traumatic situations that could affect governance effects. At the identical time as many boards display a smooth determination to duty, greater consistency and standardization of governance practices across corporations are had to make sure area-wide effectiveness.

Hypothesis

Null Hypothesis (H_0) There is no statistical significance exists between Board Oversight & Accountability and General Insurance Industry ($\rho = 0$).

Alternative Hypothesis (H_1) there is statistical significance does live between Board Oversight & Accountability and General Insurance Industry ($\rho \neq 0$).

- **Disclosure and Transparency Practices**

Transparency and disclosure stay foundational pillars of employer governance in Nepal's insurance vicinity, with the Nepal Insurance Authority (NIA) playing a relevant regulatory feature. The NIA mandates properly timed and updates from insurance firms which include board member appointment dates, present day roles, and attendance data which foster a way of life of openness and beef up stakeholder self-belief. Independent and non-one in all a kind directors assist make sure objectivity in board choices, riding better governance effects. Regulatory safeguards moreover defend purchasers, requiring companies to offer sincere recommendation and prevent exploitative practices. Annual manual of governance charters and adherence to dependent compliance systems in addition underscore the world's dedication to moral and prison responsibility. CEO appointments observe aggressive choice tactics, making sure management is every certified and successful.

Gender equity is likewise a concern, with agencies expected to uphold the rights of women board members in line with NIA pointers. Corporate secretaries, too, are positive with the aid of regulatory frameworks to make sure lawful operations. The NIA actively enforces necessities and takes corrective motion in opposition to non-compliance, thereby keeping ethical practices during the enterprise. Recent reforms, consisting of performance opinions of individual board contributors and a shift in oversight popularity, sign a electricity inside the route of continual development. These efforts assist beef up transparency and make sure organizations remain responsible to their stakeholders. Thus, Disclosure and Transparency Practices is an important factor in the performance of general insurance industry.

Hypothesis

Null hypothesis (H₁): Insurance companies have no statistically significant relationship between Disclosure and Transparency Practices and General Insurance Industry ($\rho = 0$).

Optional hypothesis (H₂): Insurance companies have a statistically significant relationship between Disclosure and Transparency Practices and General Insurance Industry ($\rho \neq 0$)

Regulatory Compliance

In the world of company governance, regulatory compliance displays how nicely coverage corporations align their operations with felony mandates, regulatory frameworks, and governance fine practices. It extends beyond mere rule-following it encompasses moral conduct, apparent techniques, and a dedication to obligation at every stage of control. Boards play a critical function on this panorama, tasked with guiding strategic picks, ensuring rigorous oversight, and keeping lively, properly-based totally committees. Compliance also needs thorough and correct disclosures, respectful engagement with authorities' stakeholders, and the protection of each shareholder and minority rights via easy, enforceable regulations. A strong compliance manner of existence consists of the e-book of reliable audit statements, considerate handling of issues like board compensation and gender representation, and the installed order of departments that mirror national governance priorities. Aligning with the Insurance Act, promoting equitable claims processing, and maintaining independent relationships between CEOs and boards all serve to deepen regulatory alignment. Similarly, transparency from a patron's viewpoint and a positive, respectful rapport with regulatory bodies are vital. These factors artwork collectively to ensure that governance practices aren't handiest legally sound but additionally ethically grounded and aware about stakeholder expectancies. Thus, regulatory compliance is an important factor in the performance of general insurance industry.

3. Methodology

The insurance company's authority and its employees are associated with decision making and implementation for enhancing the performance of insurance company. Considering this statement, mixed methods of sequential strategy were adopted during the period of research study. There were 1634 employees of four insurance companies, 250 were given survey questionnaires, of which 233 valid respondents were selected on judgmental basis. The linear regression model and correlation was used to draw inferences. Firstly, multivariate regression model was used to analyze the survey data. Following forms of multiple linear regression equation were used to analyze the relationship between dependent and independent variables. The equation was,

$$Y_1 = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \varepsilon \dots \dots \dots (i), n = 1,2, 3$$

Where, Y₁ = General Insurance Industry

α =intercept i.e., constant term. ε = the error term (value of y at x equals zero known as error).

x₁ x₂ xn independent variables, $\beta_1, \beta_2, \dots, \beta_n$, = coefficient, i.e., regression estimate,

x₁ = oversight of board and accountability,

x₂ = discipline and transparency,

x₃ = regulatory compliance

The significance level (α) of testing multiple regressions isat 5% level.

The qualitative data was analyzed in narrative forms based on key informant's views.

The multiple data such as secondary source of quantitative data, survey data, qualitative data were triangulated to validate the data and corroborate the findings. The general analytical technique was used to relate with the theory of

corporate governance.

4. Result and Discussion

The inference data were used to analyze the determinant of corporate governance in general insurance industry. The inferences have drawn based on correlation and regression result. The validity and reliability of data were determined by Cronbach's Alfa.

The descriptive data was found that regression means and residual mean is less than 0.05 p-value so that the model is fit in regression equation. The correlation coefficient of each research variable is higher than .9 and positive. Therefore, there is positive and strong association between research variables. The R square is 0.985, p value 0.00, Durbin-Watson correlation 0.132. The significance level of ANOVA is 0.001 (p = .000), which is lower than 0.05. And, therefore, there is a statistically significant. Therefore, independent variables have been effectively affected on dependent variable.

Regression Coefficient

The regression analysis produces coefficient which indicates the percentage of variance in components corporate governance that has been explained by opinion of respondents. The regression result has been presented in following table.

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.895	1.004		0.891	0.374
Oversight of Board and Accountability	0.617	0.064	0.351	9.689	0
Disclosure and Transparency	-0.179	0.094	-0.117	-1.91	0.047
Regulatory Compliance	1.023	0.075	0.765	13.602	0

a. Dependent Variable: General Insurance Industry

Source: Field Survey, 2024

The above table has been explained the relationship between independent and dependent variables. The equation of the model has been estimated as follow.

$$Y = 0.895 + 0.617x_1 + (-0.179) x_2 + 1.023x_3$$

In the constructed equation, the oversight of board and accountability (x1) and regulatory compliance (x2) have positive coefficient which implies one-unit effect of this predictor leads to increase in 61 percent and 102 percent. And, discloser and transparency is estimated negative coefficient. The Cronbach's Alpha has found .931 which shows that the overall analysis of data is reliable. Therefore, resultant data is valid. It means the entire constructed hypothesis is valid.

Hypothesis Result		
Hypothesis	T-Test	Test Result
Oversight of Board and Accountability	9.689	Accepted
Disclosure and Transparency	-1.91	Accepted
Regulatory Compliance	13.602	Accepted

Qualitative Data Analysis

The expert opinions were taken from those who are working directly or indirectly in Nepal's insurance governance ecosystem. They are well dedicated understanding of the current situation of the corporate governance and its determinant in Nepal. They are mainly senior officers, regulators, officers and legal experts. Collectively, insight highlights a shared recognition of both progress and frequent intervals.

They opined that determinant of corporate governance is developing positively however, the existing structures and frameworks need to be updated for compensation hints and coping to make greater impact on it. Furthermore, governance version needs both robust and awareness of the evolving wishes of the industry and its stakeholders. They support current board practices and remuneration norms but advocates for higher independence, transparency, and stronger regulatory enforcement. The existing governance model needs to be reviewed.

Lastly, expert examine that Nepal's insurance governance landscape is structurally sound but operationally inconsistent. The manner forward needs a dual strategy of institutional reinforcement and conduct-stage reform one which balances criminal frameworks with management ethics, stakeholder responsibility, and regulatory rigor.

The analysis of all forms of data was corroborated based on theory of corporate governance and research variables such as oversight of board and accountability, discipline and transparency, regulatory compliance. Thus, existing system of corporate governance has to be reviewed.

5. Summary and Conclusion

Summary

The survey data was briefly examined regarding the research variables by descriptive analysis. The data shows that board sizes and compositions of insurance companies have been found good. It has played vital role in its functioning. The company's board members have helped with everything to operate company's financial activities. In addition to that insurance company has been provided with a good salary for all the qualified employees. The audit committee has been playing significant role guaranteeing to follow all the mandated rules. The board has been decided independently which showed that Nepal's insurance industry have good leadership to enhance overall performance. The insurance industry's policies lead to making happier customers and companies have been run regularly. The company has been protecting the interest of all parties concerned and enhancing customer satisfaction. The boards having positive impact on operational efficiency enhanced the performance of insurance industry.

The survey data was analyzed by descriptive and regression as well as correlations. It has been determined by using statistical tools such as ANOVA, percentage of variance, correlations and regression. The validity and reliability of data were determined by Cronbach's Alfa. The resultant has drawn inferences to test the constructed hypothesis.

The p value of all research variables has been found less than .05, therefore, overall model was fit and statistically significant. The hypothesis test result of regression coefficient was identified such as board oversight & accountability status (0.617), disclosure and transparency practices (0,175), regulatory compliance (1.023). In sum, first and third hypothesis has supported while second hypothesis has not supported. This indicates the extent of new knowledge gained from this research. It is claimed that performance of existing system of corporate governance has impact on general insurance industry. Thus, the findings can be generalized to theory of corporate governance.

The study notes that Nepal's insurance sector NIA are actively involved in governance, with 72.1% of researchers reporting that the NIA play a practical role in operational decision making. Although this active commitment can contribute to organizational agility, there are also questions about the potential overlap between governance functions and management that can benefit from the clearest delimitation. It famous that a big 72.1% of respondents report lively board involvement in daily operations, suggesting that forums are stepping past their traditional oversight roles and into greater managerial features. Transparency practices usually receive positive assessments, with 73% of professionals who recognize that the NIA provide their operational rules, although the 18% disagreeing suggest space to improve the standardization of revelation practices throughout the sector. The composition of the plate appears as a critical factor, with 73.4% of the surveys confirming that the size and structure of the steering significantly affect functionality and emphasizes the importance of assembling frames with various appropriate management and management structures.

When it comes to stakeholder safety measures, the consequences are typically advantageous, with 70.9% of humans believing that minority shareholder rights are nicely covered. Similarly, 72.1% sense that governance structures do an amazing process of protecting stakeholder pursuit's average, but the dissenting voices endorse that some businesses could clearly benefit from higher communication and more potent safeguards. The examine additionally highlights a few huge human aid challenges, with 70.4% of respondents announcing they war to find talent due to contemporary rules. This overwhelming settlement factors to systemic recruitment limitations that want some critical policy reforms. Compensation systems seem to fall short as motivators, with 77.2% claiming that revenue by myself doesn't cut it for employee motivation. This finding demanding situations the traditional perspectives on reimbursement and indicates a want for extra complete retention techniques.

Perhaps the most concerning takeaway is the perception of group of workers fine, with 72.1% noting that certified candidates regularly lack enthusiasm. This should imply an abilities mismatch or capability issues in the organizational lifestyle that hose down worker engagement. The statistics indicates that 17.6% strongly accept as true with this view, highlighting it as a considerable issue in positive companies. The research underscores a sturdy notion inside the strategic price of governance, with 78.1% declaring that board actions have a high quality impact on organizational overall performance. This includes 28.3% who strongly agree, reflecting a stable confidence in governance's have an effect on amongst an extremely good minority. A whopping 78.5% of

respondents agree with that governance frameworks are key to assisting lengthy-term desires, with 28.3% expressing robust agreement.

The facts well-known a few pretty erratic declare frequencies amongst advantageous groups, hinting at a lack of strong hazard evaluation frameworks. The economic overall performance analysis of the 4 essential insurers well-known shows strengths and weaknesses inside the implementation of governance. Sagarmatha insurance demonstrates strong profitability, but shows volatility in call for management, pointing out viable inefficiencies in subscription processing structures or claims. Neco Insurance stands out for its constant increase, disciplined chance management practices and moderate variability of claims, positioning it as a robust instance of powerful governance. Rateriya Beema Co. Limited, maintaining solid metrics of solvency, displays inconsistencies in handling claims and emission of regulations that advise operational challenges. Shikhar insurance keeps strong economic health in trendy, however exhibits an abnormal coverage of dividends which could affect the confidence and perceptions of the stableness of governance.

Research recognizes special strong relationships between good governance methods and some major factors. The board shows a significant strong positive relationship (Pearson's coefficient of 0.972) with the quality of the oversight, which maintains a strong regime structure emphasizes an important role in which an active, independent director plays. Transparency and advertising methods also display a powerful connection (0.983 correlation) with the effectiveness of the government, showing how open communication and clear reporting contribute to institutional liability. Regulatory compliance emerges as the strongest prophet of good governance, how the foundation is formed for sound rule practices, a correlation coefficient of 0.990 and a regression coefficient of +1.017, which highlights the following legal and industry standards.

The findings collectively suggest that Nepal's insurance sector has established a solid base of governance practices, but faces several areas for improvement. Gender imbalance in leadership roles represents an important challenge that may benefit from target initiatives to promote more diversity. While the boards are actively engaged in governance work, the government can have a value in clarifying the difference between monitoring and operational management responsibilities. Anomalies in transparency practices in organizations indicate the opportunity to develop more standardized disclosure structure. Financial performance analysis shows that claim management efficiency and dividend policy stability represent special areas where governance practices can be strengthened.

The most important contribution of the study can be its empirical performance as to how board oversight, transparency, and regulatory compliance interact to create effective governance ecosystems. Strong statistical relations between these factors suggest that one region improves others to strengthen and strengthen, which leads to a virtuous cycle of governance growth.

For regulators, these conclusions provide clear guidance that to focus on the efforts of governance reforms especially on strengthening the freedom of the board, shareholders' interests, standardizing disclosure practices and maintaining strict compliance programs. An essential concern is the board composition, wherein experts to lessen shareholder results to make requires extra freedom and ensure balanced choices. While the non-executives director exists in concept, his actual freedom is regularly wondered because of state of being inactive, conflicting pursuits and immoderate shareholder dominance within the selections of governance.

The board's repayment version is made to attract grievance or inspire strategic engagement, fail to lessen the excellent of governance. Nepal Insurance Authority (NIA) offers strong regulatory pointers, but faces demanding situations in enforcement with uneven monitoring and shortage of active supervision. The war of hobby, stems from own family or industrial members of the family, weaken similarly governance, requiring strict ethical guidelines and transparency measures. Experts emphasize the want for continuous education in compliance, hazards management and strategic governance. Continuous improvement requires no longer handiest the institutional strengthening, but also a cultural exchange towards ethical leadership, regulator hardness and stake accountability. Ultimately, Nepal's insurance governance device is structurally sound, but the operation is inconsistent, both institutional systems and governance want double reforms to increase subculture. This research also provides a valuable benchmark for future studies, which monitors the development of corporate governance in the developing financial sector of insurance industries in Nepal, which over time provides a basis to assess the progress in the quality of governance.

Conclusion

This study has assessed the impact of corporate governance in general insurance industry of Nepal. There are life and non-life insurance company in the general insurance industry. The assessment was done only about the governance of non-life insurance company on performance of selected insurance companies. The performance of selected insurance company has found good in the performance of general insurance industry of Nepal.

The performance of insurance compay was found that selected insurance company has been described by scondary source of quantitative data. It was found that the key indicators are in positive trend. It means existing system of corporate governance has been producing good result in general insurance industry.

The impact of corporate governance in general insurance industry was explained based on research questions. The hypothesis was constructed for answering the research questions. It was general insurance and corporate governance and its components such as oversight of board and accountability, discipline and transperancy, regulatory compliance. The test result of hypothesis was proved. It implies that impact of existing corporate governance has good impact on general insurance industry. Thus, the theory of corporate governance has played good role to enhance the performance of general insurance in Nepal as well.

The general insurance industry helps to provides financial security for all individuals and business transactions. The financial security is important to protect from unexpected losses such as accidents, natural disasters and the like. It is also important to acclerate the economic activities through the mobilization of all kinds of resources. It means corporate governance can play significant role for the promotion of insurance companies.

Furthermore, the Nepal's insurance governance required to perform its functions as ecosystem. It means that all the interrelated entity of corporate governance are important to make progress of general insurance industry. The existing structures and frameworks need to be updated for making competitive environment to all insurance companies. The competitive environment helps to grown up potential development, customer service, and moral leadership. The current board practices and remuneration norms should be developed for higher independence, transparency, and stronger regulatory enforcement. In addition to this targeted training, and improved client engagement also importat for ordinary governance and performance in the insurance enterprise. It is required extra flexibility in board repayment, greater assertive regulatory enforcement, and education aligned with operational realities.

The implementation of legal board systems and regulatory efforts enhances oversight potential, technical education to regulators and insurance leader's functions. It should be a stable framework with room for sensible refinement. It requires structure and supervision at the same time as calling for extra transparency, independence, and shareholder stability.

Finally, the investigated insurance company's performance trend has found in positive tend. The survey data was valid and constructed hypothesis was proved. The key informants opinions also coincide with the sample respondents. Thus, it can be claimed that performance of existing system of corporate governance can be generalized in the theory. Thus, it is concluded that this study is significant for the future course of endeavor.

6. Implication of the Study

This paper is important for learning scholars, practitioners, regulators, policy makers and the like. It enables them to have comprehensive understanding and make informed decisions regarding the determinant of corporate governance mechanism. The mechanism is legal processes which affect to attract on investment in non-life insurance company.

AI Declaration

The author(s) declare that this work was prepared independently and that no AI-based applications or tools were used to generate any part of the manuscript. The authors take full responsibility for the content of the manuscript.

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