

Learning Experiences of Adults About Non-Life Insurance

Author: Riju Dhakal Poudyal
MPhil, Development Studies, Kathmandu University School of Education, Nepal
Email: riju_mpds2023@kusoed.edu.np

Abstract

This research investigates how adults in Nepal gain practical knowledge and financial awareness by directly engaging with non-life insurance products. It shifts focus from a purely theoretical interpretation of insurance literacy to viewing it as a learning process for adults influenced by their real-life experiences. Utilizing a qualitative narrative inquiry method, the study looks into how insured individuals develop their understanding through activities such as purchasing policies, paying premiums, filing claims, and interacting with insurance providers. Grounded in Adult Learning Theory, specifically Knowles' andragogical model and Kolb's experiential learning cycle, the research underscores the impact of readiness to learn, problem-based scenarios, and self-directed involvement on insurance literacy.

Research findings indicate that adults often have a poor grasp of policy coverage, terminology, and claims processes, frequently swayed by inaccuracies, complicated policy language, and insufficient communication from institutions. Nevertheless, active participation over time increases awareness of risks, fosters financial responsibility, and enhances decision-making skills. The research highlights significant obstacles to the adoption of non-life insurance in Nepal, such as a lack of transparency, inadequate education at the community level, and restricted access to digital resources. It underscores the importance of insurance professionals serving as educators and trusted allies rather than just policy salespeople. By improving insurance literacy through clearer communication, early educational programs, ethical practices, and joint outreach efforts, we can enhance financial resilience, informed risk management, and long-term economic stability among adults.

Keywords: Non-life insurance, policy, insurance literacy, risk management, premiums, claims.

1. Introduction

The article discusses how adults develop practical knowledge, awareness, and financial acumen through their involvement with non-life insurance products in their daily lives. Instead of gaining insights solely through formal education, adults learn through experience by purchasing policies, submitting claims, evaluating risks, making premium payments, and navigating the uncertainties related to properties, vehicles, businesses, and liabilities. In Nepal, where factors such as market constraints, regulatory hurdles, and low-income levels influence insurance behaviour, this learning process becomes highly contextual and

transformative. By directly engaging with non-life insurance, adults progressively enhance their risk awareness, financial discipline, and strategic thinking regarding asset protection and wealth preservation. Insurance thus evolves from being viewed merely as a contractual product into a practical educational tool that enhances financial literacy, encourages proactive risk management, and strengthens long-term financial resilience.

I have attempted to emphasize how adults develop significant knowledge regarding risk and security through their experiences with insurance education and practices. However, my job is to educate people about the benefits of insurance and the importance of having a policy in place. Primarily, I educate adults on risk management, which provides protection to individuals, businesses, and society from unforeseen risks (Rejda & McNamara, 2020). I am experiencing my role as an educator to reflect and practice adequate social safety which was somehow challenging, but in the context of net structures are not available, insurance assumes a more paramount function of contributing to economic resilience and poverty eradication (World Bank [WB], 2020).

Through the establishment of the Insurance Act of 1992 and the Insurance Board in Kathmandu, Nepal's insurance industry has experienced significant growth in the past few years, marked by an increase in the number of insurance companies and policyholders (Insurance Board Nepal, 2023). This evolution, in essence, signals the evolution of the financial sector in the country (Nepal Rastra Bank [NRB], 2023). However, just because insurance policies are accessible and can be purchased, it does not ensure that adults utilize and understand the coverage they have obtained. In this context, I am helping adults understand policy terminology and its coverage. Therefore, I recognize the importance of adult learning in the insurance industry. Studies show that low levels of insurance literacy worldwide can lead to people being underinsured, choosing the wrong products to meet their needs, and experiencing difficulties with settling claims, as well as increasing distrust in the insurance industry (Gutter & Copur, 2011).

Furthermore, while describing non-life insurance, both individuals and companies need to be instructed clearly on insurance policies that protected and managed liabilities arising from risks such as natural disasters, in a conversational yet formal manner. I understand that making and increasing clients without enough information might not be fair. Hence, it is necessary to help adult clients understand the claims process and recognize the importance of protecting their financial and physical assets against unavoidable threats, such as theft, accidents, and natural disasters (Majka, 2024). Insurance education emphasizes the benefits of having coverage, including financial security and regulatory compliance, as well as the associated legal requirements (Atkinson & Messy, 2013). Thus, the goal of non-life insurance education is to increase understanding of risk management and promote the selection of appropriate policy coverage.

As risks and uncertainties abound in the world during this era of globalization and modernization, where insurance can serve as a crucial safeguard for the protection of individuals' and organizations' health and wealth (Khanal, 2020). Such insurance helps establish a policy agreement, represented by an individual or organization, in which the insured receives financial protection from the insurer in the event of a loss. Insurance services can be defined as a product that consists of an insurance document, a written legal contract, plus several types of additional services (Chowdhury et al., 2007).

Hence, the study highlights that adults do not merely learn about non-life insurance through theoretical explanations but rather through active involvement with policies, risks, and actual circumstances. Insurance education equips policyholders to understand coverage terms, evaluate potential risks, and make choices that align with their personal and business requirements. As they pay premiums, assess claims procedures, and experience the financial impact of unexpected events, their knowledge deepens through real-life experiences. This hands-on learning enhances their ability to protect their assets, recover from losses, and engage in proactive risk management. Consequently, insurance education lowers barriers posed by limited financial literacy and transforms non-life insurance from a complicated contractual product into a practical resource for informed decision-making and long-term financial stability.

2. Literature Review

This study explores how adults develop meaningful understanding of non-life insurance products in Nepal through direct engagement and experiential learning. Rather than viewing insurance education solely as formal instruction, it emphasizes learning by insuring process through which insured individuals build knowledge through purchasing policies, paying premiums, filing claims, and interacting with insurers. Furthermore, the chapter examines how limited understanding of policy coverage, claims procedures, and premium calculations can lead to financial vulnerability and dissatisfaction. It also highlighted how real-life insurance experiences often expose knowledge gaps, which in turn become powerful learning opportunities for adults. Within the context of Nepal's evolving regulatory framework and insurance industry development, the study underscores the importance of informed decision-making and practical risk management for strengthening financial security.

Additionally, the study highlighted that the understanding of insurance terms is significantly influenced by the level of education of policyholders. Many policyholders relied on agents and failed to read the policy's terminology, resulting in inadequate information about their insurance policy. Hence, improving awareness and engagement with insurance products requires improved communication and teaching practices (Ghimire & Ghimire, 2024).

Furthermore, the effectiveness of insurance programs depends on adults' awareness and education about insurance, focusing on the benefits of insurance and the community's role in promoting understanding and involvement in insurance (Preker & Dror, 2008). Additionally, to develop the understanding of policyholders who can successfully utilize insurance mechanisms to minimize risks, it is essential to emphasize the importance of educating college students about insurance, thereby increasing their understanding and ability to manage unavoidable risks.

I have focused on the studies regarding insurance which have been carried out in different countries, focusing on insurance literacy, consumer awareness, risk perception and purchasing behavior. These studies highlight how education, regulatory frameworks, and socio-economic factors influence individuals' understanding and effective utilization of insurance products. The study in Malaysia highlighted the significance of incorporating financial literacy and insurance awareness into the curriculum, which helped improve financial well-being and identified particular financial issues across various socioeconomic groups, ultimately increasing insurance acceptance (Lee & Kuang, 2025). Similarly, one of the biggest issues in India is the lack of awareness about insurance and environmental issues. Due to limited awareness and pricing issues, insurance does not adequately cover the nation's overall losses from natural disasters. To raise awareness of insurance and the environment in India, the government and insurance providers must cooperate (Kumar et al., 2023). Similarly, Australia and New Zealand focus on consumer education through online resources, which improves knowledge of insurance and financial products, thereby raising insurance literacy among adults (Zhou et al., 2013). Likewise, the study also highlighted the importance of adult learning, group discussions, and mass media in South Africa's micro insurance education methods (Chummun, 2016). Similarly, in order to improve knowledge of insurance products, European nations place a high priority on financial education using digital technologies like websites and mobile applications, and by enhancing consumer awareness and trust in insurance services, this strategy can contribute to Ukraine's National Strategy of Financial Literacy (Prykaziuk & Motashko, 2023). Hence, we can learn that awareness campaigns for adults, community and school initiatives, and training are required for insurance workers in many countries to incorporate insurance education. These emphasized the value of continuing education, regulatory assistance, and practical methods for developing insurance literacy and trust.

The aim of this research was to explore the education process surrounding non-life insurance products as seen through the lens of insured individuals. The primary purpose of insurance is to manage risk and provide financial security for the protection of individuals' properties. As many insured people lacked a clear understanding of non-life insurance policies, this resulted in a lack of understanding of proper policy coverage and poor claims management. This study examines existing research to identify the key elements crucial for insurance

education, assesses the effectiveness of various teaching methods, and evaluates how enhanced insurance knowledge influences the experiences of insured individuals. Therefore, marketing information systems, as outlined by Talvinen (1994), keep management informed about market conditions. An insurance company has developed an effective long-term marketing strategy that is essential and advantageous for any organization aiming to attract the necessary customers (Panda, 2019).

Present Scenario of the Nepali Insurance Market

Insurance companies in Nepal are required to address the needs of a general populace that lacks sufficient education and financial means to obtain insurance coverage. This situation is a result of inadequate educational opportunities and a high level of poverty (Nepal, 2012). The insurance sector in Nepal has been significantly impacted by the COVID-19 pandemic, the Ukraine-Russia conflict, and the global economic downturn. At the end of fiscal year 2021/22, the total gross premium collected by the Nepalese Insurance Company increased by 16.48 percent, amounting to Rs 177.81 billion, which accounted for 3.67 percent of the country's GDP. This indicates a gradual improvement in the insurance sector's indicators (NIA, 2023). The new Insurance Act of 2022 has granted the Nepal Insurance Authority greater autonomy, authority, and power, which is initiating mergers and acquisitions among insurance companies to enhance risk-bearing capacity, solvency, and foster healthy competition among insurers (NIA, 2023). Additionally, the insurance sector in Nepal has been expanding in recent years, driven by increasing consumer awareness of insurance products, economic growth, and regulatory measures.

Policy Review

Insurance is a contractual arrangement in which an individual or organization obtains financial protection from an insurer in the event of a loss. The term 'policy' refers to a set of guidelines that an individual, organization, or government follows to direct decisions and actions toward achieving goals, objectives, and results. In today's era of globalization and modernization, it is evident that risks and uncertainties are pervasive, making insurance a crucial element for safeguarding the health and financial stability of both individuals and organizations (Khanal, 2020). On the other hand, we can view insurance as a means of managing risk. By obtaining insurance, we protect ourselves from unexpected and unacceptable financial setbacks, which the insurance company compensates us for. Insurance services can be described as a product that includes an insurance policy, which is a formal written agreement, along with various additional services (Chowdhury et al., 2007).

Insurance policies serve as more than just contracts, they are designed to fulfill essential tasks related to risk management, deterrence, and compensation, which are vital for the operation of the economy and society. Recognizing these realities significantly influences how

insurance policies are interpreted in coverage-related disputes. Within the insurance domain, a policy serves as a formal document that binds the insurer (the insurance company) and the insured (the individual holding the policy) under it. The policy further describes in detail all the policies, rules, coverage, and limitations agreed upon in the insurance contract. In the modern and globalized 21st century, the world is filled with risks and uncertainties, where insurance serves as a crucial means of safeguarding individuals' and organizations' health and wealth (Khanal, 2020). Therefore, it can be stated that insurance constitutes a contract embodied in a policy, through which a person or organization obtains financial coverage from an insurer in case of a loss. Additionally, insurance services can be characterized as a product that consists of a legal written contract (the insurance document) along with a collection of related services (Chowdhury et al., 2007).

To enhance the insurance system and industry in Nepal, the Nepal Insurance Authority was established as a regulatory body responsible for managing the insurance sector. The primary objectives of the Insurance Act 1992 were to establish the Nepal Insurance Authority, which would facilitate, supervise, promote, and regulate insurance activities in Nepal. It oversees insurance providers to ensure they deliver a structured, regulated, competitive, and trustworthy insurance landscape. The authority plays a crucial role in regulating and overseeing the insurance sector to protect the rights and interests of policyholders. The Insurance Act, 1968, was repealed and replaced by the Insurance Act, 1992, which was further amended by the Insurance Act, 2022. The Insurance Act, 2022, comprises 20 chapters and includes section 172. Presently, under the Nepal Insurance Authority, there are 14 life insurance companies, 14 non-life insurance companies, 7 micro-insurance and 2 reinsurance firms in operation.

Hence, to develop the insurance system and make insurance companies regular, competitive, and trustworthy, and to offer quality insurance services to the public through healthy competition, the Insurance Act 2022 has been established. In addition to efficiently regulating the insurance industry and safeguarding the rights and interests of policyholders by updating and consolidating the existing insurance laws, the Federal Parliament has enacted this Act (NIA, 2023). Additionally, multiple theoretical perspectives can be employed to examine the issues related to insurance policies. Some of these theories comprise Adult Learning Theory, Organization Theory, and Ethics Theory. I intend to discuss the evaluation of insurance policies utilizing these theories. And I have focused on the adult learning theory for my study.

Theoretical Framework: Adult Learning Theory

I aimed to explore how individuals acquire knowledge about non-life insurance products, utilizing adult learning theory to gain insight into the approach. For nearly a hundred years, the systematic examination of adult learning has aided adult educators, corporate trainers,

and providers of continuing professional education in comprehending the reasons why adults engage in learning, the types of learning opportunities available, and the most effective ways for adults to learn (Baroway, 2007). Typically, researchers have concentrated on societal transformations, as well as the expectations of both educators and students, along with the experiences of learners. Some of these societal transformations have involved shifts in the workplace and professional environments, as well as changes in the global economy (Baroway, 2007). A few examples of these societal shifts include adjustments made to the professional and job environments, as well as shifts in the global economy (Baroway, 2007).

I applied adult learning theories to explain the teaching of insurance on non-life products because they allow adults time to practice, emphasize making their own decisions, and provide a range of other elements that foster an environment supportive of adult learning (Brown, 2018). Thus, the study of insurance education on non-life products is based on the perspective of insured people; the adult learning theory is more suitable for this research because all insured people are from the adult group. From an Adult learning theory perspective, the process of insurance education on non-life products can be viewed as a means to fulfill learning requirements within society, and in this context, people who are insured are essential to the stability and education of the insurance system.

Experiential learning cycles, as outlined by Kolb (1984), help explain the informal learning approaches used by adults in the insurance industry. Adults begin by drawing on concrete experiences from interactions with peers and friends, reflecting on these situations to weigh the benefits and drawbacks of various insurance options. Through this reflection, they form abstract concepts that guide their understanding before applying these insights in real decisions. In addition, adults often engage in self-directed learning to determine suitable insurance plans that offer a sense of security. Similarly, andragogy, as proposed by Knowles (1984), emphasizes the unique ways adults learn. It highlights the importance of the learning process and promotes problem-based, collaborative approaches that foster greater equality between trainer and learner. This framework supports adults in actively shaping their own learning experiences within professional contexts.

3. Research Methodology

For this study I have applied qualitative research with interpretive paradigm. As an interpretive researcher, I hold the view that various realities that are formed through conversations with individuals. "The critical examination of the grounds for fundamental beliefs and an analysis of the basic concepts employed in the expression of such beliefs" is the definition of philosophy (Dobson, 2002). As the researcher, I strive to comprehend a phenomenon from the perspective of individuals who experience it. Also, participant observation and interviewing are frequently prioritized in constructivist qualitative research

investigations. According to the constructivist paradigm, individuals construct their own knowledge and understanding of the world through experiences and reflection on those experiences. Constructivists believe that learning happens only when a student gains knowledge via doing and experimenting (Bada & Olusegun, 2015). Philosophical assumptions guide researchers in making decisions regarding ontological, epistemological, and axiological worldviews (Peel, 2020). In the constructivist paradigm, my research was founded on the idea of multiple realities, as I believed that individuals perceive reality through their knowledge, beliefs, and experiences. I conducted interviews with my participants using broad, open-ended questions that allowed them to create their own meaning from their experiences.

Research Design

I have used narrative inquiry to present the participant's experience as a research design for the study. As narrative research design in education involves planning and conducting a study that focuses on collecting and analyzing stories to gain insights into educational phenomena. In relational inquiry, narrative inquiry involves the researcher accompanying the participant, telling, reliving, and retelling stories. Research designs are types of inquiry that provide specific direction for research procedures (Creswell & Creswell, 2017). The goal of this research is to gain a comprehensive understanding of the insured parties' perspective during the non-life product insurance education process. To identify potential areas for improvement, the study aims to investigate the experiences, views, and needs of insured individuals regarding insurance education.

Study Area

The study area of my research focused on adults who are keen on purchasing insurance policies. I had chosen the participants purposefully and collected the data through the open-ended questions about their understanding, knowledge, and experience with non-life insurance policies. As the qualitative researcher, I have tried to focus on the people and their experiences, behaviors, and opinions, and tried to understand the details.

Participant Selection

For the study the selection of the participant was guided by specific criteria designed to ensure that each participant could offer a unique and valuable perspective on the research problem. The criteria for selection are to bring first-hand experience. All participants must have had at least one direct experience with a non-life insurance product (e.g., vehicle, property, health) or have been in a position where such insurance was relevant to their life or business.

Participants were selected to represent a spectrum of socio-economic, educational, and professional backgrounds. This heterogeneity is crucial in qualitative inquiry, as it enables the capture of multiple realities and enriches the understanding of the phenomenon from various viewpoints (Palinkas et al., 2015). Also, individuals were identified who were likely to be reflective and articulate about their experiences, as the power of narrative inquiry lies in the depth and detail of the stories shared (Connelly & Clandinin, 1990).

Based on these criteria, four participants were selected. Their distinct profiles were purposefully curated to build a multifaceted understanding of adult learning in non-life insurance. The unique characteristics and the specific value each participant bring to the study are detailed below:

- Sita Kumari Mainali represents the perspective of small-scale, female entrepreneurs in the informal economy, who often have limited formal education. Her narrative is invaluable because it illuminates the significant knowledge gap and the profound barriers to access faced by a vast segment of the population, a common challenge in developing economies where insurance penetration is low (World Bank [WB], 2020). Her initial lack of awareness, followed by her eager engagement upon learning, powerfully illustrates the latent demand and the critical need for community-driven, grassroots financial education (Atkinson & Messy, 2013). Her story gives voice to those often overlooked by conventional marketing and policy frameworks.
- Nitesh Karmacharya provides the viewpoint of a male urban entrepreneur with direct, yet mediated, experience with business insurance claims. His narrative is unique because it reveals a paradox: having benefited from an insurance pay-out, yet remaining disengaged and under-informed. His story adds immense value by highlighting issues of inherited financial management and the gap between experiencing a claim and developing genuine insurance literacy (Weedige et al., 2019). His focus on marketing and digital solutions offers a pragmatic perspective on how to bridge this gap, aligning with Zhou et al. (2013) assertion that social commerce, driven by social media and digital technologies, enhances firms' competitive advantage by improving communication and consumer engagement.
- Asmita Mishra presents a counterintuitive narrative of a highly educated, professionally accomplished individual working in the international IT sector. Her experience is critically important because it challenges the assumption that formal education automatically translates to financial or insurance literacy (Tennyson, 2011). Her story underscores that the problem is not merely one of general education but of specific, accessible, and effectively communicated insurance education. Her narrative adds value by demonstrating that complexity and poor communication can create barriers even for the most "likely-to-understand" consumers, emphasizing the systemic nature of the issue (Gutter & Copur, 2011).

- Aakash Kumar Singh contributes the perspective of a well-educated business owner with significant capital investment who actively distrusts the insurance system. His narrative is vital because it delves into the consequences of misinformation and a breach of trust. His experience is defined by active scepticism born from observing negative claim experiences, a significant barrier to insurance uptake noted in the literature (Biener & Eling, 2012). His story adds profound value by focusing on the themes of transparency, ethical agent behaviour, and the restoration of trust as prerequisites for insurance uptake, even when the objective need for coverage is recognized.

Together, these four participants form a robust narrative ecosystem. Their collective stories do not merely present four separate cases; they interact to provide a holistic, nuanced, and deeply human understanding of how adults in Nepal navigate, learn about, and make meaning of non-life insurance amidst various personal, structural, and communicative barriers. This purposeful selection ensures that the research findings are grounded in a rich tapestry of lived experiences directly relevant to the core questions of this narrative inquiry, thereby fulfilling the methodological requirement for information-rich cases (Patton, 2015).

Methods and Tools for Collecting Data

I tried to learn about the non-life insurance education process from the perspective of the individual in order to collect data for this study. I conducted in-depth, semi-structured interviews to gather participants' individual experiences, interpretations, and understandings of non-life insurance education in following the principles of narrative inquiry. While I introduced myself to the participant and gave my intentions to talk with them, at first they felt excited and eager to share their experiences. Later on, while going to the subject matter they felt quite frustrated as they didn't know about the simple concept of insurance which they felt very necessary for their daily life.

For this study, I conducted face-to-face interviews with participants, obtaining their informed consent prior to each session and audio-recording their narrative accounts. Guided by a semi-structured interview protocol, I encouraged participants to share their experiences related to the past, present, and anticipated future, allowing their stories to unfold naturally while maintaining a coherent structure. This approach enabled me to collect rich, detailed narratives that could later be organized chronologically, providing a comprehensive understanding of how their experiences have developed over time and how these temporal dimensions shaped their perspectives on non-life insurance education. Using the interview guidelines, I engaged with participants to gather their experiences regarding the past, present, and future, which were organized in chronological order (Creswell, 2017).

4. Data Analysis and Meaning Making

This study examines how adults enhance their financial literacy and practical knowledge through real-world experiences with non-life insurance products. Non-life insurance including health, property, motor vehicles, marine, aviation, engineering, and various other risks provides not just financial security but also serves as a platform for experiential learning. Adults typically start with minimal understanding, which is often influenced by misconceptions and uncertainty regarding policy coverage, benefits, and the claims process. By purchasing policies, navigating complex terminology, filing claims and interacting with insurers, they gradually build a clearer picture of how insurance operates. Nevertheless, this educational journey is often hindered by complicated policy wording, limited access to services, underuse of digital resources, and financial constraints. These obstacles can impede understanding and diminish trust in the industry. Thus, adult's understanding of non-life insurance emerges not solely from formal education, but from lived experiences that shape their awareness, confidence and decision-making in managing risk.

Furthermore, the chapter explored the social and cultural factors that contributed to the restricted demand for non-life insurance products. To overcome these obstacles, the chapter suggested improving insurance literacy through focused community efforts, simplifying policy language, increasing digital accessibility, and developing inclusive solutions that cater to local populations. Ultimately, the chapter emphasized the significance of improving understanding and access to non-life insurance to foster financial resilience and ensure the safeguarding of adult's assets.

Ways of Learning

The adults demonstrated different ways of learning while having insurance in their lives, among them key ways of learning related to their stories, including readiness to learn, experience-based learning, problem-centered orientation, and learning. While reflecting on the stories of all four participants, I understand that they learn new knowledge when it is connected to their immediate life transitions, such as Aakash getting married, having two children, and starting a business. This is a major trigger to have non-life insurance without any agent's suggestions. He would like to save on his insurance.

Non-Life Insurance for Safety

The experiences of Sita Kumari Mainali, Nitesh Karmacharya, Asmita Mishra, and Aakash Kumar Singh illustrate how adults gradually develop an understanding of non-life insurance through personal exposure rather than formal education. Sita, a small tailoring business owner in Kathmandu, initially had minimal awareness of ensuring her equipment or business, but through discussion, she realized the importance of protecting her livelihood against theft

and unforeseen risks. Similarly, Nitesh's early encounter with insurance during his export business when compensation was received during the India Nepal border blockade did not translate into deep understanding because he was not directly involved in policy management. Although he later insured vehicles and properties, he relied on others for information and had not insured his current business. Asmita, despite her strong academic and professional background, demonstrated confusion about policy coverage, particularly regarding vehicle and health insurance, highlighting that education alone does not ensure insurance literacy. Aakash, an entrepreneur, possessed basic knowledge of third-party insurance but hesitated to insure his business due to mistrust and unclear communication from agents.

Collectively, their stories reveal common barriers to non-life insurance adoption in Nepal, including complex policy language, limited outreach, lack of transparency, and insufficient community-based education. All participants emphasized the need for clearer communication, simplified policy documents, and targeted awareness programs through schools, communities, and digital platforms. Their experiences reinforce the idea that insurance literacy develops through engagement, dialogue, and real-life encounters, and they underscore the responsibility of insurance professionals to build trust through honesty, transparency, and grassroots education initiatives.

Experienced-Based Learning from Information and Misinformation

Experience-based learning in insurance aligns with Kolb's concept of reflective observation, where adults construct understanding through exposure, discussion, and lived experience. However, the quality of that learning is heavily influenced by the accuracy of information they receive. As noted by Feinman (2024), insurance misinformation is unethical and must be prevented and penalized, as it distorts consumer decision-making and weakens trust in the industry. Sita Kumari Mainali's limited understanding of non-life insurance stemmed from informal social conversations and a lack of professional guidance. Although she owned insurable assets, she was unaware of their protection value until engaged in dialogue. Similarly, Nitesh Karmacharya's knowledge was shaped by indirect involvement in his family business and casual interactions rather than formal education or clear communication with insurers, leading to inconsistent understanding and hesitation to insure his enterprises.

Asmita Mishra and Aakash Kumar Singh further demonstrate that higher education and business experience do not automatically translate into insurance literacy. Asmita relied primarily on employer-provided information and misunderstood key policy elements, while Aakash's perceptions were influenced by peer discussions and unclear explanations from agents, resulting in mistrust and reluctance to insure his business. Across all cases, misinformation, complex policy language, weak outreach, and inadequate ethical communication emerged as major barriers. These experiences underscore the urgent need for

transparent practices, simplified policy wording, community-based education, and early financial literacy initiatives to counter misinformation and strengthen informed participation in Nepal's insurance sector (Feinman, 2024).

Self-Directed Learning and Early Exposure

Education, literacy, and early exposure play a crucial role in shaping adults' understanding of insurance and their ability to make informed decisions. Sita Kumari Mainali's case shows that even with basic formal education, limited exposure to insurance concepts can leave individuals unaware of essential risk management tools. Once introduced to motor, health, and property insurance, she quickly recognized their importance and expressed interest in promoting community-level awareness. Her experience highlights that timely, practical, and community-oriented education can empower small entrepreneurs to protect their assets confidently. It also demonstrates that learning does not occur only through formal schooling but through social interaction, discussion, and relatable guidance that connects insurance concepts to real-life needs.

Similarly, Nitesh Karmacharya, Asmita Mishra, and Aakash Kumar illustrate that higher education and business experience alone do not guarantee insurance literacy. Nitesh's understanding remained limited due to a lack of systematic education and practical engagement, while Asmita's professional background did not prevent confusion about policy details. Aakash's uncertainty stemmed from unclear communication and insufficient early education about insurance principles. Together, their experiences emphasize the need for structured insurance education from a young age, combined with interactive, community-based learning and clear communication strategies. Strengthening insurance literacy through accessible platforms and practical engagement can build trust, enhance decision-making, and improve financial security among entrepreneurs and working professionals.

Internal Motivation and Mutual Aid

All participants demonstrated internal motivation to avoid risk and recognized the mutual benefits of insurance, particularly Aakash, who valued financial protection despite his uncertainties. Their experiences reveal that the role of an insurance professional goes beyond merely selling policies; it includes prioritizing after-sales service, maintaining strong and honest communication, and providing continuous education to build lasting trust. Clear explanations of both benefits and limitations help clients make informed decisions and strengthen their financial security. Furthermore, the call for simpler policy language and regular awareness initiatives highlights the urgent need for transparent, accessible, and practical insurance education. Ongoing engagement and community-based efforts are essential to reduce misunderstandings, close the trust gap, and increase insurance adoption among individuals like Sita, Nitesh, Asmita, and Aakash.

Trust and Institutional Responsibility

The experiences of Sita Kumari Mainali and Nitesh Karmacharya highlight the central role of trust and institutional responsibility in strengthening insurance literacy among small entrepreneurs in Nepal. Sita's limited exposure to insurance and her reliance on informal advice revealed a significant gap between insurance professionals and community members. Despite her eagerness to learn, she lacked access to basic knowledge, underscoring the need for community-based awareness programs and collaborative efforts between insurance companies and the government. Similarly, Nitesh's partial understanding of policy details and reliance on intermediaries demonstrated how complex procedures and unclear communication weaken personal trust. His experience reinforced the idea that insurance companies must go beyond selling policies by providing transparent information, continuous education, and authentic relationship-building to foster long-term confidence and economic stability.

Asmita Mishra and Aakash further emphasized that even educated professionals and entrepreneurs may feel disconnected from their insurance coverage due to unclear communication and lack of transparency. Asmita's dependence on her company's administrative department and Aakash's hesitation stemming from distrust and negative claim experiences both illustrate how poor communication reduces confidence in insurance institutions. Their reflections stress that insurance providers must act as educators and trusted partners by simplifying policy language, clearly explaining exclusions and limitations, and conducting regular awareness campaigns, including through social media and government collaboration. Ultimately, strengthening trust, maintaining transparency, and adopting a customer-centered approach are essential to empower individuals to make informed decisions and enhance the effectiveness of the insurance sector.

This study extends the existing knowledge on insurance literacy by moving beyond a purely financial or conceptual understanding and reframing it as a process of *adult learning*. Much of the prior literature on insurance literacy, such as that by Tennyson (2011) and Gutter and Copur (2011), focuses on quantifying literacy levels or identifying product-related barriers. This research, however, delves into the '*how*' and '*why*' behind these literacy gaps by applying the principles of adult learning theory, particularly the andragogical model pioneered by Knowles (1980).

Hence, the study promoted insurance literacy based on adult learning theories, which emphasized the practical importance, problem-solving capacity, self-directed learning, and application of existing experiences. The stories shared by participants clarified how adult learners benefit from utilizing resources such as community workshops, digital content, and collaborative programs. Moreover, the chapter emphasized the need for systemic reforms

and early education on insurance, as well as ethical communication from agents, and clear, accessible policy choices.

5. Conclusion

This research reinterprets non-life insurance literacy as a lifelong learning journey influenced by practical experiences rather than just formal education. It illustrates that adults progressively enhance their financial knowledge through the purchase of policies, interactions with insurance providers, and the claims process, even though they often begin with misunderstandings, complex jargon, and limited access to straightforward information. The experiences shared by participants like Sita, Nitesh, Asmita, and Aakash demonstrate that insurance literacy is fostered through a willingness to learn, engagement with problem-solving situations, self-guided learning, and reflection on personal experiences. Nonetheless, challenges such as misinformation, poor communication, a lack of transparency, and inadequate outreach persist, undermining trust and hindering the adoption of non-life insurance in Nepal. These challenges emphasize the necessity for clearer policy language, ethical sales practices, increased digital access, and community-oriented awareness programs to enhance financial resilience.

Using adult learning theory with andragogical framework, this research builds on current literature regarding insurance literacy by investigating the reasons and mechanisms behind the persistence of knowledge gaps. It highlights that adults tend to learn more effectively when education is relevant, based on real experiences, and closely tied to their current life requirements. To improve insurance literacy, it is essential to provide early exposure, organized educational initiatives, engaging community workshops, and partnerships between insurance providers and governmental agencies. In the end, promoting transparency, fostering trust, and providing ongoing education can enable individuals to make well-informed decisions regarding risk management, thereby improving both personal safety and economic stability.

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