

**YANGON UNIVERSITY OF ECONOMICS  
DEPARTMENT OF ECONOMICS  
MASTER OF DEVELOPMENT STUDIES PROGRAMME**

**A STUDY ON THE DEVELOPMENT OF  
INSURANCE SECTOR IN MYANMAR**

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**OCTOBER, 2024**

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**A STUDY ON THE DEVELOPMENT OF  
INSURANCE SECTOR IN MYANMAR**

A thesis submitted in partial fulfillment of the requirements for the Master of  
Development Studies (MDevS) Degree

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**OCTOBER, 2024**

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**MASTER OF DEVELOPMENT STUDIES PROGRAMME**

This is to certify that the thesis entitled “**A study on the Development of Insurance Sector in Myanmar**” submitted as partial fulfillment towards the requirements for the degree of Executive Master of Development Studies has been witnessed by the Board of Examiners.

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## **ABSTRACT**

The insurance sector provides for the economic development of the country. This study explores how to develop the insurance sector in Myanmar between 2013 and 2023. The study also investigates the perception of customers (policyholders) about the insurance sector in Myanmar. The descriptive method approach is used in this study. Primary data is obtained from current policyholders from various insurance providers in the Yangon area which has the highest insurance penetration. This study makes use of secondary data, including penetration, density, and the ratio of underwritten premiums to claims. The findings reveal significant developments in both life insurance and general insurance. In addition, policyholders in Myanmar are very positive about the long-term development and expansion of the insurance industry.

## ACKNOWLEDGEMENTS

Firstly, my sincere thanks are extended to Master of Development Programme Committee, Yangon University of Economics for providing me with the opportunities to undertake this thesis. I am deep grateful to Professor Dr. Tin Tin Htwe (Rector), Professor Dr. Cho Cho Thein (Pro-Rector) and Professor Dr. Khin Thida Nyein (Pro-Rector) of Yangon University of Economics for their kind permission for attending this Programme.

I would like to express my gratitude to Professor Dr. Naw Htee Mue Loe Htoo, who is the Programme Director and Head of the Department of Economics. I also want to extend my special thanks to Daw Khin Saw Win, who is the Head of Operation in A Life Insurance, for accommodating my requests and supplying me with the required information.

I would like to express my wonderful deepest gratitude to my thesis supervisor Daw Phyu Win Ei, Associate Professor, Department of Economics, Yangon University of Economics for her practical advices, invaluable guidance, valid suggestions and inspirational words to accomplish my thesis. I am extremely grateful to all of my respectfully professors, lecturers who contributed their invaluable time, precious knowledge and experiences, and sharing broader thinking throughout the course of EMDevS Programme.

I express my heartfelt thanks to the senior officials and executives of MIA, as well as local and foreign insurance companies in Myanmar, for their invaluable support in providing secondary data and sharing their wealth of information and knowledge, which greatly contributed to the completion of my thesis. I am sincerely grateful to every individual who responded to my inquiries for this thesis and to those who offered their kind assistance throughout the entire process of compiling this thesis.

My deep gratitude goes out to all those who contributed in various ways to my thesis. This work is dedicated to the cherished memory of my parents, to whom I owe an everlasting debt of gratitude for the strength and resilience they have instilled in me. Lastly, I want to extend my thanks to all my friends from EMDevS 18th Batch for their unwavering support during both the good and challenging times.

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## **LIST OF ABBREVIATIONS**

FRD	-	Financial Regulatory Department
IBL	-	International Business Law
IBRB	-	Insurance Business Regulatory Board
IBSB	-	Insurance Business Supervisor Board
MIA	-	Myanmar Insurance Association
MOPF	-	Ministry of Planning and Finance

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Rationale of the Study**

The insurance sector acts as a catalyst for economic development by enabling investment and innovation. Insurers invest premiums in various financial instruments, including stocks and bonds, which helps finance infrastructure projects and other significant economic developments. For example, property-casualty insurers in the U.S. have over \$1.4 trillion invested in the economy, providing critical support for construction and development projects (Iowa Insurance Institute, 2017). This investment not only encourages immediate economic activity, but it also promotes long-term growth by improving infrastructure. During economic downturns or crises, insurers contribute to economic stability by providing a safety net that protects individuals and businesses from large financial losses. This protective function is critical for sustaining confidence among customers and preventing mass bankruptcies during difficult economic times.

Myanmar's insurance sector has undergone significant changes in recent years, presenting promising opportunities for international investors. Since 2012, the market has been steadily developing, with notable growth after the introduction of the Myanmar Investment Law in 2016. This law paved the way for the entry of foreign insurers in 2017, which accelerated the sector's transformation. The arrival of these international players in 2019 further boosted competition and innovation.

Despite challenges, including the Covid-19 pandemic, the industry has shown resilience. While current advances in the developing insurance sector place focus upon the relatively untapped market potential of less than 10% penetration, this strategic focus on expansion is especially important given the country's rural demography. The regulatory frameworks established by the Insurance Business Law create conditions conducive to growth for both domestic and foreign companies in the sector. The future of Myanmar's insurance industry holds significant potential, with the sector's development offering insights into the impact of policy decisions, business strategies,

and technological innovations. All of the above provide strong reasons are a study on the development of insurance sector in Myanmar.

## **1.2 Objectives of the Study**

The study's objectives are to examine the development of insurance sector in Myanmar and the perception of customers in this sector.

## **1.3 Method of Study**

The method used in this study is descriptive. Both primary and secondary data have been used in this study in order to achieve its objectives. By using the secondary data such as underwritten premium and claim ratio, it explores the development of insurance sector in Myanmar. It can also discover the present situation of insurance sector in Myanmar. Furthermore, macro-level indicators such as annual insurance penetration and density rate can be used to evaluate how Myanmar's insurance industry is developing. One hundred current policyholders from various insurers operating in the Yangon Region are interviewed face-to-face in order to collect primary data. Myanmar Insurance Association (MIA), Financial Regulatory Department (FRD), Insurance Business Regulatory Board (IBRB), pertinent textbooks and articles, reports, earlier research papers, newspapers, journals, and magazines on the topic were among the many sources from which the secondary data used in the study was obtained.

## **1.4 Scope and Limitations of the Study**

The development of the insurance industry in Myanmar is the primary emphasis of this study. A total of 100 individuals from the Yangon Region were given survey questionnaires, and the study was conducted after local private insurers entered the market in May 2013 with the aim of operating in Myanmar by 2024. The secondary data comprises the years 2013–2014 through 2022–2023, depending on the official data that is available. For the limitations of the study, the survey was solely carried out in the Yangon area, which has the highest insurance penetration.

## **1.5 Organization of the Study**

There are five chapters in this study. The study's rationale, objectives, method, scope, limitations, and organization are all discussed in the introduction, which is

outlined in Chapter (1). The literature review is included in Chapter (2). The concept of insurance and its evolution, the important of insurance in economic growth, regulation in the development of insurance sector, main distribution channels for insurance products, and reviews of previous study that is relevant to this topic are all included. The third chapter covers legal framework for the insurance market in Myanmar, the long history of insurance in Myanmar, the permissible insurance products in Myanmar, the comparison of unwritten premium to claim ratio (2013–2023), and the penetration and density of insurance. In Chapter (4), the survey's profile, design, and findings were explained. The conclusion, which includes findings and suggestion for the study, can be found in Chapter (5).

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Concept of Insurance and Its Evolution**

The concept of insurance is all about sharing risk. It goes way back to ancient civilizations, even before there were formal companies involved. It's originating in ancient civilizations where merchants and traders sought protection against losses from shipwrecks and other risks during their voyages (Charles Farley Trenerry, 1926). The basic idea of insurance is to protect individuals or entities from financial losses due to unforeseen events or risks. Over time, the concept of insurance has evolved and expanded to include various forms of coverage, such as life, health, accident, property, and liability insurance.

The concept of insurance predates the Common Era by thousands of years. It is thought that the Code of Hammurabi, which was created in ancient Babylon in 1750 BCE, is one of the earliest illustrations of insurance. Ancient Chinese traders came up with strategies for protecting the goods they traded from possible threats like piracy and weather. It was improbable that a fleet operating on various days would all be in the same danger, so they would spread their cargo over a number of ships, hoping that if one was lost, the others would be spared (Masci, 2011).

The roots of insurance can also be traced to the Babylonian empire around 3,000 to 4,000 years ago, where merchants used bottomry contracts to secure loans for shipments. These contracts stipulated that the loans did not need to be repaid if the shipment was lost at sea, effectively transferring the risk of loss to the lender. In ancient India, insurance was mentioned in the works of Kautilya, Manu, and Yagnavalkya, where pooling of resources was discussed as a means of redistributing wealth during disasters like fires, floods, famines, and epidemics.

In the Middle Ages, the guild system emerged in Europe, with members paying into a pool that covered their losses. Guilds provided group coverage for masters who experienced events such as fires, theft, disability, or death, encouraging more people to leave farming to take up trades and increasing the amount of goods available for trade.

All of these numerous types of insurance agreements have become legal since the concept of insurance was recognized during the Middle Ages (Brenner, 1996). However, laws against gambling of any kind became more stringent at the end of the Middle Ages due to religious pressures (Franklin, 2001), which led to the tendency to view every insurance transaction as a gamble.

The concept of insurance became more widespread and formalized during the 17th century, particularly in England. The first known life insurance policy in England was issued in 1583, but lacking the tools to properly assess risk, many of the groups that offered insurance ultimately failed. The use of mortality tables, introduced by astronomer and mathematician Edmund Halley in 1693, helped predict longevity and improved the accuracy of life insurance pricing.

Insurance rapidly emerged as British and Dutch trade expanded in the 17th and 18th centuries (Martin, 2010). Initially, individual private insurers handled the business. Originally to the formation of organizations dedicated to writing insurance policies, individuals would sign their names and indicate the amount of risk they were accepting under the insurance arrangement, giving origin to the term "underwriter." Early on, insurance pools arose, either temporarily, as London's Lloyd's underwriters, or more permanently as cooperative societies or joint-stock companies.

In January 1536, William Gibbons of London received the first life insurance policy. This one-year policy promised Gibbons' beneficiaries 400 pounds sterling upon his death in exchange for a 32-pound premium. The policy was written without knowledge of mortality rates since mortality data would not be developed for another century. When Gibbons died, the underwriters were forced to pay out the indemnity, making the arrangement more of a risk than a well-planned insurance contract. British merchants and shipowners later began gathering at Edward Lloyd's coffeehouse near the London docks, where they agreed to split both the profits and possible losses of trading endeavors (Brown, 1987). Some people had more money and were more willing to take risks on potentially dangerous journeys than others (Masci, 2011).

Insurance has been essential in preventing financial losses for people and companies, managing risks, and supplying long-term funding for infrastructure improvements. For many years, the industry has been profitable and has played a significant role in both public and private long-term finance. Insurance was first developed to help people manage risk in their commercial operations. Later, it

developed to offer families and individuals financial stability. This is a field that is always changing, with new kinds of coverage emerging commonly.

## **2.2 The Important of Insurance in Economic Growth**

Insurance is essential to economic growth because it offers financial protection against unforeseen risks and losses, lowers uncertainty, and promotes investment and risk-taking. It aids in the financial recovery, ongoing operations, and future investment of both people and companies. Insurance also provides a pool of capital that can be applied to invest in the economy, contributing to economic growth and development. To promote economic growth, insurance regulations must be strong enough to protect policyholders while still allowing insurance businesses to contribute to the economy through their products and investments. At the same time, the healthy insurance industry is also required for economic growth, because it is necessary for the insurance sector to remain healthy which requires effective and appropriate regulations (Stojakovic & Jeremic, 2016).

By lowering uncertainty and promoting risk-taking and investment, insurance helps the economy prosper. In the event of a loss, people and companies are more inclined to take chances and get involved in new projects when they are certain that they will be financially protected. This factor may encourage economic activity and development. The premiums that insurance companies receive from their policyholders is invested in a range of assets, including stocks, bonds, and real estate, creating a capital pool that can be leveraged for economic investments. Insurance provides a safety net for investors and lenders by mitigating the financial risks associated with investments and loans. For example, lenders may require borrowers to obtain insurance coverage for collateral assets, such as real estate or equipment, to protect against potential losses. This reduces the perceived risk of lending, thereby encouraging investment and access to capital (Insurers and Capital Market Development, 2021).

The World Bank emphasizes that insurance provides financial security against losses and hazards, helping individuals and companies manage the financial impact of shocks like natural disasters and economic crises. This protection stabilizes consumption patterns and supports economic resilience (An Operational Framework for Disaster Risk Financing and Insurance, n.d.). The IMF outlines how insurance contributes to financial stability by providing a stable source of funding. Insurance

companies invest premiums in long-term assets, fostering economic growth and stability (International Monetary Fund, 2016). Additionally, insurance is essential for maintaining economic stability. It provides financial protection against unexpected risks and losses, smoothing the consumption of individuals and businesses facing idiosyncratic or aggregated shocks such as natural disasters or financial crises. Insurance is also a source of stable funding for both the financial markets and the economy, fostering lending and investment with a long-term perspective. Insurance helps mitigate risks associated with starting new businesses. With the knowledge that they're financially protected in case of unforeseen circumstances, the likelihood of entrepreneurs investing in innovative ideas and taking measured risks is higher. This fosters innovation and drives economic progress.

Premiums are collected from policyholders by insurance companies. These premiums, when not used for immediate claims payouts, are invested in various financial instruments like bonds and stocks. This injection of capital into the financial system fuels economic activity by facilitating loans for businesses and infrastructure development. Insurance, especially micro-insurance products, it can provide financial security to low-income earners who wouldn't otherwise have access to it. This financial inclusion helps protect vulnerable populations from economic shocks and allows them to participate more fully in the economy (Insurance 101 | III, n.d.). By providing a buffer against financial disasters, insurance helps stabilize the economy during times of crisis. When businesses and individuals are financially protected, they are more resilient to economic downturns.

The contribution of insurance is essential in financing large-scale infrastructure projects, such as roads, bridges, airports, and power plants. Insurers provide construction and engineering insurance to protect project owners, contractors, and lenders against construction risks, delays, and cost overruns. This helps to attract private investment and ensure the successful completion of infrastructure projects, which are essential for economic development. International trade relies on various forms of insurance, such as marine insurance, cargo insurance, and trade credit insurance, to protect against risks associated with shipping goods, non-payment by buyers, and political instability (The Geneva Association, 2011). Insurance coverage reduces the uncertainty and financial risks of trade transactions, thereby facilitating cross-border commerce and economic integration.



Besides, Insurance contributes to social stability and resilience by providing financial support to individuals and communities affected by natural disasters, accidents, and other unforeseen events. By helping people recover from setbacks and rebuild their lives, insurance reduces the socioeconomic impacts of disasters and strengthens the resilience of communities. In conclusion, insurance acts as a silent engine of economic growth. By mitigating risk, encouraging investment, and promoting financial security, the insurance industry plays a crucial role in creating a thriving and stable economy. Insurance can contribute to economic development by improving the overall efficiency of the financial sector, notably by facilitating the provision of credit to the private sector.

### **2.3 Regulation in The Development of Insurance Sector**

Regulation supports an essential role in shaping the insurance sector, ensuring it remains stable, sustainable, and aligned with wider economic and social objectives. Strong regulatory frameworks build consumer trust by guaranteeing that insurers are financially secure and offer reliable products. This trust is vital for the growth of the market, as consumers are more likely to purchase insurance when they feel confident that robust regulations are in place to protect them. Regulations also require insurers to be transparent and provide clear, detailed information about their products, which helps consumers make informed decisions and strengthens the industry's credibility (The Geneva Association, 2022).

Furthermore, regulations set capital requirements to ensure that insurance companies have enough reserves to meet their obligations, preventing failures that could destabilize the entire market. Risk management frameworks are also established by regulators, requiring insurers to identify and manage risks effectively, thereby contributing to market stability and preventing systemic crises. By clearly defining the rules for entering the market, regulations encourage new companies to innovate and compete, leading to the development of products that meet the evolving needs of consumers (The Geneva Association, 2022). In some cases, regulators even create "sandboxes," allowing insurers to test new ideas in a controlled environment, which promotes growth while maintaining consumer protection.

Regulations mainly provide that insurance companies treat their customers fairly, particularly when it comes to pricing, handling claims, and resolving disputes.

This fairness is essential for the development of the insurance sector because it builds trust and encourages more people to participate. When consumers feel confident that they will be treated fairly, they are more likely to purchase insurance, contributing to a healthier, more competitive market (Klein, 2011). Regulatory frameworks often include policies that prevent discrimination, ensuring that insurers don't unfairly deny coverage or charge excessively high rates based on factors like age, gender, or health status. As the insurance market evolves with new risks and technologies, regulatory bodies must continuously adapt, updating laws and guidelines to keep the market fair, relevant, and effective (Bill Marcoux, 2022). Regulators are concentrating more and more on how insurers evaluate and price environmental risks as public awareness of climate change rises. This promises that the insurance industry may create goods to deal with these worldwide issues.

Many insurers conduct cross-border business in today's globalized market. In order for these businesses to function effectively across borders, regulatory harmonization is essential to the growth of global insurance markets. Global insurance markets are supported by international regulatory cooperation, which aids in monitoring the activities of multinational insurers and guarantees their adherence to uniform standards across borders. In order to prepare the insurance industry for the response to financial crises, natural catastrophes, and other major events, regulations frequently contain crisis management frameworks. These frameworks guarantee the market's continuous growth and aid in stabilizing it amid tumultuous periods. Following a crisis, regulators frequently enact reforms to address the problems that were made public, which strengthens and develops the insurance industry (Klein, 2011).

Regulations can encourage insurers to invest in long-term infrastructure projects, which in turn supports broader economic development. For instance, insurers might receive favorable regulatory treatment for investing in areas like green energy or public transportation. Additionally, regulatory frameworks often operate a crucial role in developing social insurance programs, such as pension plans or health insurance, which are essential for societal well-being and economic stability (Bill Marcoux, 2022). Regulation does a significant part in the ongoing growth of the insurance industry by ensuring a stable, transparent, and consumer-friendly atmosphere. Through intelligent and adaptable regulation, the insurance market may expand, develop, and meet the changing demands of consumers and society as a whole.

## **2.4 Main Distribution Channels for Insurance Products**

The extent to which the overall insurance market is equitable in term of accessibility of distribution and availability of products. There are two main insurance products are categorized in the world as (1) Life Insurance and (2) Non-Life Insurance (General Insurance). Insurance products are distributed through various channels, each with its own advantages and target markets. These channels can be classified into two categories: direct and indirect. In the insurance industry, direct distribution channels refer to methods where insurance companies sell their products directly to consumers without intermediaries like agents or brokers. These channels allow insurers to maintain more control over customer interactions, reduce commission costs, and streamline processes.

Direct distribution channels are Insurance Websites, Mobile Applications, Telemarketing, Direct Mail Marketing, Direct Response Marketing, Branch Offices, Internet Sales. Insurers operate their own websites where customers can obtain information, compare products, and purchase policies directly online. This channel provides a user-friendly experience and allows for immediate transactions. Dedicated mobile apps enable customers to manage their insurance policies, file claims, and receive quotes directly from their smartphones, enhancing convenience and accessibility. Insurers use tele-sales teams to reach out to potential customers via phone calls. This method allows for personalized communication and immediate responses to customer inquiries. This channel involves sending marketing materials such as postcards and letters directly to potential customers. It has been shown to yield high response rates compared to other digital marketing methods, allowing insurers to target specific demographics effectively.

Insurers utilize mass media (e.g., television, radio, online ads) to solicit inquiries from consumers directly. This approach aims for immediate engagement, encouraging potential customers to contact the insurer directly. While more traditional, branch offices remain a vital part of direct distribution. These locations allow insurers to establish personal relationships with customers and provide face-to-face service. The internet serves as a growing channel for direct sales, where insurers can offer quotes and sell policies online. Although still developing compared to other channels, it is becoming increasingly important as consumer preferences shift towards digital solutions. Direct distribution channels are essential for insurance companies seeking to enhance customer engagement, streamline operations, and increase profitability by

reducing reliance on intermediaries.

Indirect distribution channels in the insurance industry involve intermediaries that facilitate the sale of insurance products between insurers and customers. These channels are crucial for reaching a broader audience, providing expertise, and enhancing customer service. The most used Indirect distribution channels are Insurance Agents, Brokers, Bancassurance, Financial Advisors, Affinity Groups, Franchise Networks, Corporate Agents. There are two types of insurance agents. (1) Captive Agents represent a single insurance company and sell only that company's products. They are trained and managed by the insurer and often have deep product knowledge. (2) independent agents represent multiple insurance companies, offering clients a wider range of products. Independent agents provide options from different insurers based on the customer's needs.

Insurance brokers act as intermediaries who represent the client rather than the insurance company. They help clients find and purchase the best insurance policies by comparing multiple insurers' offerings and advising on the most suitable coverage. Bancassurance is popular for life, health, and personal insurance products. This model involves banks partnering with insurance companies to sell insurance products through bank branches (ByWinsurtech, 2020). It leverages the existing customer base of banks, providing convenience for consumers who prefer to manage their financial services in one location. These professionals, financial advisors, provide comprehensive financial services, including selling insurance as part of a broader financial strategy. They work with clients to integrate insurance products into overall financial and estate planning.

Affinity Groups and associations refer to Insurance companies' partner with professional associations, unions, alumni groups, or employer organizations to offer specialized insurance products tailored to members. These are often group plans with discounted premiums. Franchise Networks mean Insurance companies may franchise their brand to local businesses or financial service providers, allowing them to sell their insurance products in return for a share of the sales revenue. Corporate Agents operate as companies, like travel agencies, car dealerships, or airlines, act as corporate agents by bundling insurance products (such as travel or vehicle insurance) with their primary services. indirect distribution channels play a vital role in the insurance industry by connecting insurers with consumers through various intermediaries such as brokers, agents, aggregators, and partnerships with banks or affinity groups. These channels enhance customer access to a wide range of products while providing valuable expertise

and support throughout the purchasing process. Insurance companies has to decide the right distribution channel in order to effectively engage with their target market.

## **2.5     Reviews on Previous Studies**

Klein (2012) observed that although the importance of regulating price has decreased, the regulation of market behavior is growing in importance. In order to reduce the detrimental impacts of information imbalances, this kind of regulation focuses on insurers' practices in areas like product creation, marketing techniques, and claim handling. Considering that insurance companies and their clients frequently have significant disparities in negotiating power, it is obvious that such regulation is necessary. Customer choice is frequently limited by characteristics like as lack financial literacy, making some individuals liable for aggressive claims and marketing tactics used by insurers and their representatives, even in markets with strong rivalry. The United States is the main subject of Klein's (2012) study. Regulation of market conduct is becoming more significant, whereas regulation of prices is becoming less significant. The market practices of insurers, including as product development, advertising, and claims processing, are covered by this kind of regulation. These results highlight the necessity of strict market conduct laws to protect customers and ensure ethical behavior in the insurance sector.

Kunreuther (2015) wrote government regulations can significantly affect a person's ability to obtain suitable and reasonably priced insurance. This can be performed by putting in place necessary insurance plans that help to build large enough risk pools and communities. However, this requires collaboration among many government bodies and cannot be handled only by insurance regulators. Additionally, by standardizing premium prices across various risk categories, mandated schemes could reduce adverse selection. This allows premiums from lower-risk individuals to support higher-risk individuals. To support low-income households, these schemes can also include premium subsidies. The study focuses on the United States. These findings highlight the importance of coordinated efforts in policy-making to ensure broad access to insurance.

Hlaing Yin Mon studied the insurance sector in Myanmar in 2019. Descriptive analysis employing primary and secondary data has been carried out in order to achieve the study goal. The primary data was collected through in-person interviews with

potential insurance customers, employees of twelve domestic insurance companies, three foreign reinsurance companies, and the Myanmar Insurance Association (MIA). The target population consisted of roughly 50 employees from the previously stated firms in the Yangon Region and 100 individuals seeking to purchase insurance. The Financial Regulatory Department (FRD), the Insurance Business Regulatory Board (IBRB), publications from the Myanmar Insurance Association (MIA), pertinent journals, websites, previous research papers, reports, and other kinds of literature were some of the sources from which secondary data was gathered. The study discovered that certain agents engage in unethical business practices. Public initiatives about insurance knowledge are unpopular because of time constraints, and insurance products are outdated for the customers. In spite of this, the majority of insurance businesses continue to have solid financial standing, and customers are satisfied when their claims are paid, which contributes to a favorable opinion of the industry.

Dr. Mohammad Uddin (2020) emphasized that Bangladesh's insurance industry is critical to the country's economic prosperity since it protects multiple assets from various hazards. Despite its tiny size, the sector is highly institutionalized. In order to maximize its contribution to the national economy, the insurance industry must improve its competitiveness. Despite facing global and micro-level obstacles, the industry's good growth rate and enormous potential point to a promising future. By addressing the challenges raised in the study, the sector has the potential to grow quickly and generate significant economic advantages. This emphasizes the importance of increasing competitiveness and dealing with issues in order to maximize the sector's contribution to the Bangladeshi economy.

## **CHAPTER III**

### **OVERVIEW OF INSURANCE SECTOR IN MYANMAR**

#### **3.1 Historical Background of Insurance in Myanmar**

The insurance industry in Myanmar has a long and interesting history, dating back to 1826. After the first war between Britain and Myanmar (then called Burma), European businesses began operating in the country. This led to the arrival of international insurance providers, which offered coverage specifically for these businesses. The quantity of insurance providers in Myanmar grew significantly over the next century. From 1845 to 1897, there were 18 foreign enterprises. That number increased to 110 by 1940 (Background History of Myanmar Insurance, n.d.). Interestingly, the first two domestic insurance companies weren't established until 1937. These were the Burma National Insurance Co. and the Burma (Government Chief Executive) Insurance Co.

Unfortunately, World War II disrupted the insurance market in Myanmar. Insurance operations came to a halt, but the government did introduce temporary war risk insurance in 1943. After the war, in 1947, the Burma (Government Security) Insurance Company resumed operations. The year 1948 saw the establishment of several new national insurance companies, including the People's Insurance Co. and the Burma Fire & General Insurance Company. The government also took a more active role in the industry when the Union of Insurance Board Law came into effect in 1950. This involvement intensified in 1952 with the founding of the Union of Insurance Board. This government body took over several key functions, including providing life insurance for government employees and military personnel. It expanded its reach further in 1957 by directly underwriting general insurance (non-life insurance) (Background History of Myanmar Insurance, n.d.).

A significant shift occurred in 1959 with the Life Assurance (Prohibition) Act. This law essentially banned private companies from offering life insurance, leaving the Union of Insurance Board as the sole provider. The government also consolidated control over general insurance. In the late 1960s, the Union of Insurance Board was incorporated as an insurance department within the newly established People's Bank of

the Union of Burma. Finally, in 1976, after it is the Insurance Business Law was approved, the Myanmar Insurance Corporation was formed as a separate entity, taking over a wider range of insurance businesses. This corporation's name was later simplified to Myanmar Insurance in 1989.

After many failed attempts in the past, Myanmar's insurance industry finally saw reforms under the democratic government that came to power in 2011. The Insurance Business Supervisory Board (IBSB), originally formed in 1996, was reformed by the Ministry on November 5, 2011. The board was restructured again on June 29, 2012, to make the insurance industry more accessible, and further reorganized on November 15, 2013, to better regulate and supervise the market. Finally, in November 2013, the existing IBSB was reorganized as the Insurance Business Regulatory Board (IBRB) to effectively regulate and supervise the newly opened market.

On September 5, 2012, the Insurance Business Regulatory Board (IBRB) selected eleven domestic companies to receive permission to underwrite specific insurance classes. Of these, three companies were permitted to underwrite life insurance, while nine were allowed to underwrite both life and non-life insurance. Companies wishing to underwrite life insurance needed to deposit 6 billion Kyats of paid-up capital, and 40 billion Kyats had to be deposited by anyone intending to insure non-life insurance. Businesses who wanted to function as composite insurance carriers had to put down 46 billion Kyats in paid-up capital (MOPF | Ministry of Planning and Finance. (n.d.).).

Transformational period of Myanmar's insurance sector is growth with changing of legal framework and market-oriented economy. In recent years, Myanmar's financial sector has seen a major improvement with the liberalization of the insurance sector. Historically, Myanmar's insurance industry was heavily regulated and dominated by state-owned insurers. However, as part of broader economic reforms initiated in the early 2010s, the government began to open up the insurance industry to foreign participation and private sector involvement. Alongside market transformation, there has been an effort to strengthen the regulatory framework governing the insurance industry in Myanmar. The government has introduced new regulations and guidelines to ensure sound and prudent management practices, protect policyholders' interests, and promote market stability.



These changes open up Myanmar's insurance sector to more foreign participation and competition. It should lead to more choice and better products for consumers. The local insurance industry will also benefit from the influx of global know-how and capital. This approach aims to balance promoting competition with fostering the development of domestic insurance companies. The transformation period of the insurance market in Myanmar was an important step towards strengthening the sector and encouraging the participation of foreign insurance companies. This move was expected to build capacity and provide a well-structured competitive insurance sector, which are key objectives for the Myanmar government. The transformation period of the insurance market has led to a diversification of insurance products and services available in Myanmar.

### **3.2 Legal Framework for Insurance Sector in Myanmar**

In 1976, the Phyithuhluttaw (Parliament) issued life insurance rules requiring all government employees to obtain compulsory life insurance through the Myanma Insurance Corporation, which is now known as Myanma Insurance. The market economy was revived after the 1988 political upheaval. 1993 saw the implementation of the Myanma Insurance Law to conform to the changing economic structure in insurance. The Myanmar Insurance Law of 1993 pertains to the state-owned insurer and outlines the coverage it can offer. In 1996, Myanmar passed the Insurance Business Law, followed by the Insurance Business Rules in 1997. These moves marked a shift in the country's economic approach. As Myanmar transitioned from a centralized system to a market-oriented economy, the government opened up the insurance market to private companies. This allowed for more competition and potentially better options for consumers.

The regulations cover a wide range of subjects important to the insurance sector, including consumer protection, accounting requirements, and investment. The Insurance Business Supervisory Board (IBSB), a body within the Ministry of Finance and Revenue, was notably established by the 1996 law. The task of supervising license applications and other regulatory requirements for insurers, underwriters, and brokers has been assigned to the Insurance Business Supervisor Board (IBSB). Under the provisions of this Law, private companies are allowed to undertake insurance business. The law aims to promote stability and development in the insurance sector while ensuring fair practices and safeguarding the interests of policyholders. The Insurance

Business Regulatory Board (IBRB) emerged in 2011 to supervise and regulate the industry.

In the twenty years since the 1996 law was passed, no complete licenses have been granted, despite the fact that it permits international insurers to conduct business in Myanmar. Legal professionals so frequently view the industry as fundamentally restricted to foreign businesses. The issue of non-admitted insurance is also not covered by the law. Twelve insurers were granted licenses in 2012, and five had begun operations by 2013, indicating the market's rapid expansion. By 2015, nearly all were in operation. The licensed companies included Aung Thitsar Oo Insurance, Ayeyar Myanmar Insurance, Capital Life Insurance, Ayeyar Myanmar Insurance, Aung Myint Moh Min Insurance, Young Insurance Global, Grand Guardian Insurance, Global World Insurance, Excellent Fortune Insurance, and First National Insurance. In the middle of 2013, private insurance companies started to enter the market. Although only 2.3% of Myanmar's population now has formal insurance coverage, the sector has enormous growth potential now that private companies can access (Myanmar Industry Overview | Trust Venture Partners Co., Ltd. (n.d).)

Insurance Business Regulatory Board (IBRB) stipulates the procedures for application and issuance of business licenses for insurance-companies, underwriting agents and insurance brokers. These are issued by IBRB from time to time, to regulate insurance business in Myanmar. Insurance businesses, intermediaries, and other entities involved in the insurance industry have to follow these Notifications and Directives.

With effect from October 1, 2020, Directive 4/2020, issued by the Insurance Business Regulatory Board (IBRB) on May 12, 2020, permits insurance companies operating in Myanmar to provide reinsurance services. This order aspires to ensure appropriate risk diversification while optimizing risk retention inside the country. The objectives are to safeguard policyholders by obtaining the best possible reinsurance coverage at fair prices, improve the financial and technical capacities of the sector, and simplify the administration of reinsurance operations. This represents a significant shift in the insurance industry in Myanmar. Insurance companies operating in Myanmar must submit to the IBRB their approved reinsurance and retention plans no later than ninety-days before to the beginning of the fiscal year.

Insurers also have to give the IBRB additional evidence within 30 days of the beginning of the fiscal year. Insurers also have to give the IBRB additional evidence

within 30 days of the beginning of the fiscal year. The rule states that insurers must create a retention policy for each insurance category and retain risk in proportion to their financial capabilities. A minimum of 20% of the total amount at risk must be retained by life insurers and reinsurers. A reinsurance program and retention policy must be established by every insurer operating in Myanmar and submitted to the IBRB at the start of each fiscal year.

Either a foreign corporation having a physical presence in Myanmar or a company that has been established there shall conduct insurance and insurance broking operations. For life, non-life, and mixed insurance, the minimum capital requirements are MMK 6 billion, MMK 40 billion, and MMK 46 billion, respectively. Furthermore, 30% of the paid-up capital must be placed in government Treasury Bonds, and 10% must be deposited with the Myanmar Economic Bank. The majority of new businesses focus on life insurance, which calls for MMK 6 billion in total paid-up capital. With a paid-up capital requirement of MMK 40 billion for non-life insurance and MMK 46 billion for companies offering both life and non-life coverage, the remaining nine companies participate in both life and non-life insurance. These businesses must also pay an annual fee of MMK 1 million and a license cost of MMK 3 million. Once licensed, they must begin operations within a year (MOPF | Ministry of Planning and Finance.).

### **3.3 Permitted Insurance Businesses in Myanmar**

Today mainly two types of insurance businesses can be permitted in Myanmar. There are two types of insurance: general and life. General Insurance is also called Non-Life Insurance. Others types of insurance may be done under these two types of insurance businesses. Policies that protect policyholders against monetary losses brought on by disasters such as fires, earthquakes, floods, hurricanes, and accidents are provided by non-life insurance providers. The three main categories of non-life items are Miscellaneous, Fire, and Marine. Miscellaneous insurance is any kind of insurance that does not fit into the marine or fire categories. The two main types of insurance in the past were marine and fire.

Nowadays, phrases like "casualty insurance" and "property insurance" are frequently used. Buildings and their belongings, including cash, securities, inventory, furniture, equipment, and even intangible assets like trademarks, are covered by

property insurance. Historically, these were covered by policies for loss of profits, engineering insurance, and fire insurance. Cargo moved by air, sea, or land is covered by "marine" or "transit" insurance; ships are also covered by marine insurance. Clients can choose from various forms of maritime insurance, each with special benefits and appropriateness for various purposes. All of these choices might not be the best in every situation, and their appropriateness relies on the particulars. Depending on the nature and scope of a client's business, he can opt for the best marine insurance plans and enjoy the advantage of having marine insurance. Insurance that covers motor vehicle accidents is commonly referred to as "casualty" or "accident" insurance, however it can also cover other kinds of accidents. Alternatively, "liability" insurance covers the insured's legal obligations in lawsuits or similar claims. Contractual agreements or public relations obligations may give rise to these liabilities.

Policies for fire insurance provide protection against monetary losses resulting from property damage brought on by fire, explosions, and other particular risks. These plans might also include coverage for harm from strikes, riots, natural catastrophes like cyclones or typhoons, car impact, or malevolent acts. Fire insurance only covers the hazards that are stated, and exclusions are made explicit in other sections. This type of insurance is known as "named peril" coverage. It is possible to purchase further coverage choices individually, such as earthquake protection. However, war hazards are usually not included.

These inclusions and exclusions are required due to the range of possible damage causes and the related expenses, such as debris removal and consequential losses. It is possible to expand basic coverage to include items like professional costs for engineers and architects, rent loss, or the deterioration of refrigerated stock as a result of power outages. The insurance will only pay for things that are specifically covered by the policy; exclusions are specified to prevent misunderstandings in the future. In some circumstances, loss of earnings may also be covered by fire insurance.

Motor insurance forms up the largest portion of miscellaneous insurance, whereas marine insurance can be distinguished into two categories: marine hull insurance and marine cargo insurance. According to the Motor Vehicles Act, auto insurance is required for all vehicles on the road, regardless of whether they are being utilized for personal or business usage. This covers property damage and includes third-party liability insurance, which must be provided by law. In contrast, disability or death

resulting from accidents caused by external, violent, and prominent means is covered by personal accident insurance.

Personal accident policies do not require risk assessment, with the exception of occupational conditions. Better living standards and more disposable income are the results of healthcare insurance. As individuals age, their vulnerability to health problems and diseases increases due to longer lifespans. Hospitalization-related treatment costs (including domiciliary therapy) are covered by health insurance. A network of Third Party Administrators (TPA) approved by IRDA are now handling health insurance claims.

According to Section 8 of Insurance Business Law, A company desirous of transacting one or more of the following insurance business shall apply for business license to the Supervisory Board in accordance with the stipulations: -

- (a) Life Assurance;
- (b) Fire Insurance;
- (c) Comprehensive Motor Insurance;
- (d) Cash-in-transit Insurance;
- (e) Cash-in-safe Insurance;
- (f) Fidelity Insurance;

(g) Different insurance options allowed by the Ministry occasionally, through notification, with Government approval.

### **3.3.1 Life Insurance in Myanmar**

In Myanmar, there are two main types of life insurance; (1) endowments life insurance and (2) term life insurance. Endowment policies are traditional savings-type life insurance products. These are (a) Single Premium Endowment Life Insurance (b) Short-Term Endowment Life Insurance (c) Special Purpose Endowment Policies in Myanmar.

Terms policies are offer coverage for a specific term. These are (a) Group Life Insurance (b) Seaman Life Insurance (c) Snakebite Life Insurance (d) Shore Job Insurance (e) Farmers' Life Assurance (f) Public Term Life Insurance (g) Health Insurance (h) Sportsmen Life Insurance. These provide coverage for a specific term or period of time. In Myanmar, certain insurance products are designed to benefit the

public and support the country's economic growth. These products can only be sold by Myanma Insurance, the state-owned insurance company. One example is the Government Personnel Life Assurance, which is tailored for civil servants. For government employees and military personnel, life insurance is compulsory with Myanma Insurance. Their premiums are calculated based on age and salary scale.

#### **(1) Endowments Life Assurance**

##### **(a) Single Premium Endowment Life Insurance**

Single premium endowment life insurance in Myanmar provides a convenient way to save money over a fixed term while also offering life coverage. The one-time premium payment, along with the guaranteed maturity and death benefits, make it an attractive option for individuals looking to secure their family's financial future. The policy terms, coverage amounts, and premium rates can be tailored to suit individual needs and budgets. Any person between the age of 18 and 60 years old (Myanmar citizens & Foreign Migrants) can buy from Mynama Insurance and private insurance company. Before getting the policy, the applicant needs to undergo a medical check-up with a specialist. This includes submitting test results for X-rays, ECGs, ultrasounds, as well as screening for diabetes, Hepatitis B, and Hepatitis C. Premiums can be paid quarterly, semi-annually, or annually. Coverage begins on the date the premium is paid.

Premium Payment is a one-time payment for the entire term of the policy. The options of policy terms typically include 3, 4, or 5 years. Insurable age is available for individuals aged 18 to 60 years. Minimum sum insured starts at MMK 5 million. Maximum sum insured of MMK 250 million (Myanma Insurance). Premium rates vary based on age and sum insured, ranging from 71% to 95% of the sum insured. For the benefits, guaranteed 100% of the sum assured lump sum payment upon policy maturity. guaranteed 100% of the sum assured paid to beneficiaries in the event of the insured's premature death. Tax deductible premiums under current income tax laws.

##### **(b) Short-Term Endowment Life Insurance**

Short-term endowment life insurance in Myanmar provides a combination of life coverage and savings over a 5 to 10 years period. It caters to individuals looking for medium-term financial protection and returns. The flexible premium payment options and customizable coverage amounts make it an attractive option for many. Insurable age for individuals is 10 to 60 years. For this insurance, the sum insured ranges from MMK 1 million to MMK 50 million. Premium rates are calculated based on the insured's age, policy term, and sum insured amount. Premiums can be paid

monthly, quarterly, half-yearly or yearly. For the benefits, the insured receive maturity benefit because sum assured paid out at the end of the policy term. And then sum assured paid to beneficiaries in the event of the insured's death. As total permanent disability benefit, sum assured paid to the insured if they suffer total permanent disability during the policy term. It includes loss of sight in both eyes, loss of two limbs, or loss of one limb and one eye.

#### (c) Special Purpose Endowment Policies in Myanmar

In Myanmar, Special Purpose Endowment Policies are crafted to meet the needs of specific groups, offering customized benefits and coverage. These include policies like the Government Personnel (Short Term) Endowment Life Assurance and Army Personnel Life Assurance. If the insured amount is less than 2,000,000 kyats, the proposer does not need to provide medical check-up results. The insurable age for individuals ranges from 18 to 57 years old. Policy period of this insurance is for 3, 5, or 10 years. Sum insured start from minimum MMK 100,000 to maximum MMK 30,000,000 (premium cannot exceed 15% of the insured's salary). The insured accept as death benefit which full sum assured paid to beneficiaries in the event of the insured's death during the policy term. For total Permanent Disability Benefit, full sum assured paid if the insured suffers total permanent disability. As maturity benefit, sum assured plus additional profit paid at the end of the policy term. Additional benefits may include loan options, surrender value, paid-up value, and discount value if applicable.

### (2) **Term Life Assurance**

#### (a) Group Life Insurance

If you're in good health and between the ages of 10 and 55, you can purchase the Public Life Assurance policy. This coverage is open to employees from any organization, except for government workers and military personnel. The minimum coverage amount is 50,000 Kyats, while the maximum is 300,000 Kyats. You can choose a policy term anywhere from 5 to 50 years. Before getting the policy, you'll need to undergo a medical exam with a specialist recommended by CB Insurance.

Payments for premiums can be made every month, every three months, twice a year, or once a year. Your coverage will begin on the date you make your first premium payment. So if you're a healthy working adult looking for life insurance, this could be a good option to consider. Just keep in mind the age and coverage limits, and be prepared for the medical check-up.

#### (b) Seaman Life Insurance

Myanma Insurance has been offering Seamen Life Assurance since July 1, 2003. This policy is available to every seaman who work on oceangoing ships and are between the ages of 18 and 60. For a 5 million Kyat sum insured, the premium is 25,000 Kyats per 1-year unit. Seamen can purchase between 1 to 4 units of coverage. The insurance kicks in on the date the premium is first paid. To apply, you'll need to submit your passport number, a copy of your seafarer's identification and record book (CDC), and a medical report. Even if you're over 60 but in good health, you can still get this policy by paying an additional 5,000 Kyat premium.

The policy only covers death during the term of the policy. You can name a beneficiary when you apply. However, it doesn't cover suicide, criminal acts, drug use, or desertion from the ship. If the insured person's body is never found after an accident, Before the beneficiary can make a claim, the benefits will be suspended for two years. Within a month following the insured's death, the beneficiary must submit the claim. If they miss this deadline, Myanma Insurance will deduct a 10% penalty from the total claim amount.

#### (c) Snakebite Life Insurance

Snake bites can happen anywhere, from the countryside to the city streets. Instead of relying on traditional folk remedies, Myanma Insurance offers a policy specifically designed to help snake bite victims. The goals are to encourage people to seek proper hospital treatment, reimburse expenses incurred due to the bite, and provide compensation if the victim loses their life.

The minimum coverage is 1 unit at 500,000 Kyats, while the maximum is 10 units at 5 million Kyats. There's no age limit - anyone can buy this policy, even adults purchasing it for minors. Where you reside in the country is not important. The premium for 1 unit (500,000 Kyats) is just 500 Kyats per year. The policy term is 1 year. So for a very affordable price, you can have the peace of mind knowing that if you or a loved one gets bitten by a snake, you'll be able to afford the medical care and won't be left financially devastated if the worst should happen. It's a smart way to protect yourself against this very real risk.

#### (d) Shore Job Insurance

Myanma Insurance has been offering Shore Job Life Assurance since December 17, 2004. This policy is available to workers employed by a business with legal



Myanmar registration who are between the ages of 18 and 60. To qualify, you need to be in good health or undergo a medical check-up by a doctor nominated by Myanma Insurance. The sum insured is 5 million Kyats per 1-year term, with a premium of 30,000 Kyats. You can purchase up to 20 million Kyats in coverage. When you apply, you'll need to submit a copy of your passport. Coverage begins the day after you pay the premium.

Both death and injuries are covered by this insurance. If the insured person dies during the term, their beneficiary will receive the 5 million Kyat benefit. However, the policy doesn't cover suicide, criminal acts, drug use, or working illegally for other companies or factories. So, if you're a worker dispatched abroad by a Myanmar company, this policy can provide valuable protection. For a relatively low premium, you'll have the security of knowing your family will be taken care of if something tragic happens to you on the job. It's an important safeguard for workers in this industry.

#### (e) Farmers' Life Assurance

Myanma Insurance started offering Farmers' Life Assurance on 10 July 2017. This is a term life insurance policy that anyone can freely purchase - farmers and their relatives, family members, assistants, and others. The eligible age range is 16 to 60 years old. Although the policy has a one-year term, it may be renewed every year. One percent of the insured amount is used to compute the premium rate. The coverage ranges from 100,000 Kyats at the minimum to 5,000,000 Kyats at the highest. If the insured person passes away or becomes totally and permanently disabled, 100% of the benefit can be claimed. For accidental injuries, the payout will vary based on the medical assessment and the proportions outlined in the policy.

For a 100,000 Kyat sum insured, the hospitalization benefit is 2,000 Kyats per day, for up to 5 days per incident, with coverage for up to 3 hospitalizations per year. Agents selling this policy are allowed a 10% commission on the premiums. So in summary, Farmers' Life Assurance provides affordable term life and accident coverage for the agricultural community in Myanmar. It's a straightforward product that can give farmers and their families valuable financial protection.

#### (f) Public Term Life Insurance

Public term life insurance in Myanmar serves a really important purpose - it's there to support families when the main breadwinner passes away, becomes permanently disabled, or gets seriously ill. Losing that income can be devastating, so

this insurance helps protect those left behind from falling into financial hardship. The policy is offered by Myanma Insurance, the state-owned insurance company. It's one of the most common and accessible life insurance products available to the general public.

Individuals aged 18 to 75 are eligible to submit an application. The annual premium is a flat 5 million Kyats. The minimum coverage is 100,000 Kyats, while the maximum is 20 million Kyats. It's a 1-year policy, but you can renew it each year. Individuals who fall within the 18–60 age range and have an amount insured of more than 5,000,000 kyats, as well as those who fall within the 61–75 age range and have a sum insured of more than 3,000,000 kyats, must provide medical check-up documentation. It covers death, total permanent disability and injuries. Now, there are some exclusions - the policy won't cover injuries from criminal acts, drug use, or pre-existing conditions. The benefits cannot be greater than the whole amount of insurance. (Myanma Insurance).

#### (g) Health Insurance

Health insurance is becoming increasingly important in Myanmar as healthcare costs continue to rise. It's an essential tool for managing medical expenses and ensuring people can access the care they need. As awareness of health insurance grows and the market develops, more and more people are expected to benefit from the financial security and peace of mind it provides. Several private insurance companies in Myanmar now offer a variety of health insurance plans. Coverage can include hospitalization, outpatient care, and even maternity benefits. When choosing a plan, it's important to carefully review what's included - things like hospital stays, doctor visits, medications, and any exclusions like pre-existing conditions. Premiums can vary based on your age, health status, and the level of coverage you select.

Some plans may limit you to using specific hospitals or clinics within their network. But many also cover preventive services like vaccinations and check-ups, which can promote overall wellness. Anyone between the ages of 6 and 65, whether a Myanmar citizen or foreigner working or doing business in the country, can apply for health insurance. Minors aged 6-18 will need a guardian to sign up. The standard policy period is 1 year. Many insurance companies also offer critical illness insurance, which pays out in full in the event that a policyholder is found to have a serious illness such as cancer, heart disease, or stroke. This is frequently provided as a stand-alone or add-on product, enabling people to get financial assistance in the event of life-threatening

illnesses.

#### (h) Sportsmen Life Insurance

Sportsmen Life Insurance offers financial protection to athletes and sports professionals, covering the risks associated with sports activities. It ensures that in the event of injury, disability, or death, the insured or their beneficiaries receive financial support. Athletes aged 10 to 60 from any region can apply for this insurance. The policy term is one year, and coverage is available in units, with each unit costing 5,000 Kyats. An individual can purchase up to five units. Applicants must be in good physical health.

This insurance specifically covers injuries, disabilities, and fatalities resulting from both professional and amateur sports activities. Policies typically include life insurance, accidental death and dismemberment (AD&D) coverage, and disability benefits. Premiums are determined based on the type of sport, the level of risk involved, the insured's age, and overall health, with higher-risk sports incurring higher premiums.

The sum insured is the amount payable to the insured or their beneficiaries in case of a covered event, chosen based on the policyholder's needs and financial goals. While the policy term is generally one year, options for short-term coverage (covering specific events or seasons) or long-term coverage (throughout an athlete's career) may also be available. Some policies may require medical examinations or health declarations to assess risk and determine appropriate coverage and premiums.

### **3.3.2 Non-Life Insurance (General Insurance) in Myanmar**

In Myanmar, the insurance sector offers various types of coverage to meet the needs of individuals and businesses. The major types of general insurance are (1) Motor Insurance (2) Property Insurance (3) Marine Insurance (4) Travel Insurance (5) Personal Accident Insurance (6) Business Insurance.

#### **(1) Motor Insurance**

Motor Insurance protects you against financial losses arising from accidents involving your vehicle. Motor insurance is a mandatory requirement for all vehicles in Myanmar. The major types of motor insurance in Myanmar are (a) comprehensive motor insurance (b) third-party liability insurance.

##### **(a) Comprehensive motor insurance**

Comprehensive motor insurance is an optional coverage available for vehicle

owners in Myanmar. Policies can be purchased for a maximum term of one year, with the option to choose shorter 3-month, 6-month, or 9-month durations. This type of insurance provides protection against a variety of risks, including accidental collisions or overturning, damage from falling objects, fire, explosions, malicious acts, and even while the vehicle is in transit by road, rail, or inland waterway. It also covers damage or injury to third-party vehicles and individuals.

If someone else dies or is injured in an accident, the maximum compensation sum is one million Kyat. The premium charged for comprehensive motor insurance is calculated based on factors like the insured value of the vehicle, its engine size, passenger capacity, and whether it is used for private or commercial purposes. As an example, for a vehicle insured for 10 million Kyat, the premium rate may be around 1.1% for private cars and 1.6% for commercial vehicles. Additional optional covers like theft, war danger, natural disasters, and windshield damage can also be included for an extra cost.

#### (b) Third-party liability insurance

In Myanmar, it is mandatory for all vehicle owners to have third-party liability insurance. This requirement is set by the government to ensure that victims of road accidents receive compensation for injuries or damages caused by the insured vehicle. Third-party liability insurance provides compensation for injuries or death to third parties involved in an accident brought on by the insured vehicle. It also covers the costs of damage to third-party property resulting from an accident involving the insured vehicle. Common exclusions might include intentional damage, driving on the consequences of drugs or alcohol, and damages incurred while the vehicle is used for illegal activities.

This type of insurance protects the insured from bearing the financial burden of compensating third parties for damages or injuries. It ensures that the vehicle owner complies with the legal requirements set by the Myanmar government. The premium for third-party liability insurance is typically based on factors such as the type and size of the vehicle, its usage, and the driver's claims history. The current premium rates range from MMK 5,000 to MMK 15,000, depending on the vehicle type and passenger capacity. Various insurance companies in Myanmar offer third-party liability motor insurance, including state-owned enterprises and private insurers. Some of the prominent providers include Myanma Insurance, AYA Myanmar Insurance, and GGI

Insurance. Third-party liability insurance is an essential part of motor insurance in Myanmar, ensuring that vehicle owners are legally compliant and financially protected against potential liabilities arising from road accidents.

## **(2) Property Insurance**

Property insurance in Myanmar safeguards your home, business, or belongings against financial losses caused by various unforeseen events. The mainly products are Fire & Allied Perils Insurance, Burglary Insurance and Combined Property Insurance.

### **(a) Fire & Allied Perils insurance**

Fire & Allied Perils Insurance covers damage from fire, lightning, explosions, and other related events. Some policies extend coverage to riots, strikes, and storm damage as well. A property can be insured by anyone with an official legal link to it. Nevertheless, properties that are uncertain to value cannot be covered by insurance. Usually, the covering continues for anywhere from 10 days to a year. Four groups are used to classify buildings, and premiums are calculated according to the grouping of the building and the distance from neighboring structures, which is usually between 25 and 50 feet. Protection against riots, strikes, malicious damage, earthquake fire and shock, explosions, spontaneous combustion, and natural disasters like storms, typhoons, hurricanes, tempests, cyclones, floods, and flooding are among the additional coverage options that can be added to a fire insurance policy. Aircraft damage, impact damage, landslides and subsidence, burglary, and war-related dangers are further options.

### **(b) Burglary insurance**

In Myanmar, there are several options for burglary insurance to protect your property against theft and break-ins. Burglary Insurance protects your belongings against theft if there's a forced entry into your property. You can purchase burglary insurance in addition to fire insurance. Burglary is the act of stealing property by forcefully entering through the window, door, wall, floor, or roof, or by breaking locks. A complaint on a break-in should be made to the relevant township's police station. The premium rate is determined by the building's structure where the insured properties are stored. The lowest and maximum premium rates are 0.25% and 1%, respectively.

### **(c) Combined Property Insurance**

Combined property insurance in Myanmar bundles various coverages like fire, theft, flood, and earthquake into one comprehensive plan. This type of insurance offers broad protection for residential, commercial, and industrial properties against a wide

range of risks, making it a convenient and cost-effective option for businesses and homeowners looking to safeguard their valuable assets. Typical combined property insurance policies in Myanmar cover damage or loss from events such as Fire, lightning, explosions, Riots, strikes, malicious acts, Natural disasters like earthquakes and floods, theft and burglary.

Some policies may also include additional benefits like temporary housing costs during repairs or replacement of damaged valuables. The premium for a combined property insurance policy in Myanmar depends on several factors such as location and risk of natural disasters, construction materials used, total value of the property and belongings, specific perils and coverage limits selected. Myanma Insurance, the state-owned insurance company, offers combined property insurance as part of its product portfolio. Private insurers like AYA SOMPO and Chubb also provide combined property coverage options in the Myanmar market. Comparing quotes from multiple insurers can help you find the most suitable policy at the best rates. Overall, combined property insurance provides Myanmar businesses and homeowners with a convenient and comprehensive risk management solution to protect their valuable assets. As the insurance industry continues to develop, access to these bundled coverage plans is expected to grow.

### **(3) Marine Insurance**

Marine insurance in Myanmar is regulated by the Myanmar Insurance Law, which was enacted in 1993. The law establishes the Myanmar Insurance as the sole provider of marine insurance in the country. The two main types of marine insurance are (a) Marine cargo insurance (b) Marine hull & machinery insurance.

#### **(a) Marine cargo insurance**

This type of coverage protects goods that are transported by sea, inland waterways, or road against loss or damage. The premiums charged can vary quite a bit, depending on the mode of transportation used and the specific type of cargo being insured. There are two main types of marine cargo insurance policies available. The first is a "Total Loss Only" policy, which only provides coverage in the event the entire shipment is completely lost due to natural disasters or accidents. The premium rates for this type of policy range from 0.14% for inland or road transport, up to 0.56% for coastal voyages during the May to October timeframe. (Institute Cargo Clause (CL-254))

The other option is an "All Risks" policy, which offers more comprehensive

coverage for both export and import cargoes. Premiums for this broader protection tend to be a bit higher, ranging from 0.56% for general cargo up to 0.80% for breakable items or powdered fertilizer. There are also some additional premiums that can apply, such as 0.28% for transshipments, 0.0375% for shipments via the Suez Canal, and 0.05% for voyages through war zones. Ultimately, the specific marine cargo insurance coverage and rates will depend on the details of the shipment. But this should give a good overview of how the system works in Myanmar (Institute Cargo Clause (CL-252)).

#### (b) Marine hull & machinery insurance

Marine Hull & Machinery Insurance protects against damage or loss to a ship's hull, machinery, and equipment. Premium rates are determined by factors such as the vessel's age, construction materials, and where it operates. This insurance also extends to Machinery and Electronics on the vessel, as well as structures like Pontoon and Wharf. The two main kinds of coverage are All Risks and Total Loss Only (TLO). Total Loss Only (TLO) covers private vessels for durations ranging from one month to a year, including specific voyages.

For TLO, the insured must provide accurate information on the vessel in the proposal form, including licenses, photos, the captain's credentials, and the vessel's value. If the vessel is over 20 years old, an additional 10% premium is required. This insurance covers total loss or damage caused by natural disasters or accidents under the Institute Time Clause (CL-289). Departmental and overseas vessels are covered under All Risks, with premium rates typically ranging from 2% to 3% under Institute Time Clause (CL-280).

#### **(4) Travel Insurance**

Travel insurance in Myanmar is provided by the state-owned insurer, Myanma Insurance. They offer several types of travel insurance policies. This insurance provides comfort by assisting passengers in handling unforeseen incidents and guaranteeing that their trip stays as comfortable as possible. The Highway Special Travel Insurance covers accidents and injuries that occur during road travel within Myanmar, with coverage limits ranging from 10 to 30 million kyats. The Air Travel Insurance, on the other hand, provides protection specifically for air travelers, with a coverage limit of 50 million kyats. For those booking group tours, there's the Tour Operator Travel Insurance, which offers coverage limits between 5 to 100 million kyats depending on

the number of "units" purchased. For foreign visitors to Myanmar, the Inbound Travel Accident Insurance covers accidents, injuries, and even COVID-19 related medical expenses, with limits up to 100 million kyats.

The premiums for these policies vary quite a bit based on the type of coverage and the duration of the trip. The Highway Special and Air Travel Insurance have flat premiums of 10-30 lakhs kyats and 50 lakhs kyats respectively. But for the Tour Operator and Inbound policies, the rates range from 100 kyats per unit (1 unit = 5 lakhs kyats coverage) for a 1-day trip, up to 500-6,000 kyats per unit for longer 2-3 month stays. Regardless of the policy, the travel insurance in Myanmar covers things like accidental death, permanent disability, medical expenses, lost or damaged belongings, and trip cancellation or interruption. To file a claim, you'll need to provide supporting documentation like medical records and receipts.

#### **(5) Personal Accident Insurance**

This type of policy is designed to offer financial protection in the event of accidental death, permanent disability, bodily injury, or medical expenses resulting from an accident. Coverage limits range from 10 to 30 million kyats for accidents that occur during road travel within the country and a 50-million-kyat coverage limit for air travelers. Inbound travel accident insurance for foreign visitors, which can cover COVID-19 related medical expenses up to 100 million kyats. Premiums starting from 10 lakhs kyats for the highway special travel insurance, up to 50 lakhs kyats for air travel insurance.

To file a claim, the insured person will need to provide supporting documentation like medical certificates and police reports. Myanma Insurance will then process the claim, with payouts subject to the specific terms and conditions of the policy. Personal accident insurance in Myanmar is regulated under the country's Insurance Law of 1993, which establishes Myanma Insurance as the sole provider of insurance services.

For medical expenses, it covers medical costs incurred due to accidental injuries, including hospitalization, surgeries, and rehabilitation. Some policies may also include coverage for emergency medical evacuation. It also offers weekly compensation for temporary total disability, where the insured is unable to work due to an accident. The benefit amount and duration depend on the policy terms. Additionally, it may coverage for accidental dismemberment, loss of limbs, or sight. Some policies



offer benefits for burns, fractures, and other specific injuries. Personal accident insurance in Myanmar provides an important safeguard for both local residents and visitors to the country.

#### **(6) Business Insurance**

There are various types of business insurance in Myanmar. Mostly it can be found include Workers' compensation insurance, deposit insurance, credit guarantee insurance, fidelity insurance, cash in transit insurance, and machinery insurance. Myanma Insurance's cash-in-safe insurance protects the policyholder against theft of funds held by private businesses, cooperatives, and the general public. Coverage periods range from a day to a year. The premium rates vary depending on the type of business. For government and private banks, the rate is 0.2% to 0.5% and for cooperatives and private entities other than banks, the rate is 0.5% to 1%.

Another relevant policy is the Fidelity Insurance. Its purpose is to safeguard companies against financial loss or theft by workers employed as cashiers in the public, private, and cooperative sectors. This is an annual policy with a premium rate of 1% for government employees and 2% for cooperative and private sector employees. Theft or robbery that occurs when government, cooperative, or private businesses are moving money from one location to another is covered by cash-in-transit insurance. The amount carried at one time is the sum insured. Premiums are based on the distance traveled, with discounts offered based on specifications. The rates range from 0.2% to 1%.

Deposit Insurance has been available since October 2011 to give people confidence in depositing money at banks, allowing banks to attract more deposits, grant more loans, and increase their income. Banks take out this insurance for deposits between 100,000 and 1,000,000 kyats per person, at a premium rate of 0.12%. By providing financial default insurance, Credit Guarantee Insurance, which was first offered in 2015, enables banks to lend money to small and medium-sized businesses for their growth. With collateral, the rates are 2% in the first year, 1.5% in the second, and 1% in the third and following years. Employers in government, cooperative, and private businesses are required by the Myanmar Workmen's Compensation Act of 1923 to get workmen's compensation insurance for their staff members, which covers death and injury sustained on the job. This is an annual policy with a 2% premium on the employee's yearly income. Machinery and equipment insurance covers breakdowns, non-standardization, design faults, damage by inexperienced workers, intentional damage, electrical failures, and

natural calamities. The range of the premium rate is 0.3% to 0.5%.

### **3.4 Comparison of Underwritten Premium and Claim Ratio**

The total amount of premiums that an insurance company agrees to collect from policyholders for covering various risks over a given period of time, usually over a year, is known as the underwritten premium in insurance. Through a procedure known as underwriting, insurers evaluate the risk involved in providing insurance to an individual, group, or asset in order to calculate this premium amount. Insurance providers use underwriting to determine the right price through assessing variables including the risk profile of an asset, the insured's health or financial situation, and the possibility of claims. In order to preserve profitability, the insurer must collect enough premiums to cover future claims and operating expenses, which is reflected in the underwritten premium, which represents their assessment of possible liabilities. Maintaining reserves for claims, guaranteeing profitability, managing risk, and enabling insurers to efficiently compete in the market are all made possible by the underwritten premium. It is important for policyholder secure as well as the stability of the insurance sector.

The claim ratio, or loss ratio, is another important metric that measures the proportion of claims paid out by an insurance company compared to the premiums it has collected. The monitoring of the claim ratio helps assess the profitability and underwriting performance of insurance companies. A lower claim ratio indicates that a company is paying out less in claims relative to the premiums it collects, which typically suggests better profitability. Understanding claim ratios helps insurers manage their expenses effectively. High claim ratios can signal inefficiencies or an unusually high number of claims, prompting a need for review and adjustments by analyzing claim ratios, insurers can make informed decisions about adjusting premiums to maintain a balance between being competitive and covering the costs of claims. Claim ratios provide insights into the performance of specific insurance products, helping companies refine or redesign products to better meet customer needs and manage risk.

Regulatory bodies often set minimum claim ratio requirements to ensure that insurers remain solvent and can meet their obligations to policyholders. Monitoring claim ratios helps companies stay compliant with these regulations. A reasonable claim ratio can enhance customer trust, as it demonstrates the insurer's ability to settle claims

promptly and fairly. Increased customer satisfaction and retention rates may result from this. Both unwritten premiums and claim ratios are essential metrics for insurance companies. It provides valuable insights into the growth, penetration, and profitability of the insurance industry in Myanmar. Tracking these metrics over time is crucial for understanding the dynamics and competitiveness of the market. Unwritten premiums help forecast future revenue and assess market demand, while claim ratios are crucial for maintaining financial health, setting pricing strategies, ensuring regulatory compliance, and enhancing customer trust.

**Table (3.1) LIFE INSURANCE (Underwritten Premium and Claim Ratio)**

<b>Life Insurance</b>	<b>Premium</b>	<b>Claim</b>
<b>2013-14</b>	3,374.03	584.11
<b>2014-15</b>	8,021.48	786.84
<b>2015-16</b>	14,353.78	1,163.61
<b>2016-17</b>	22,261.76	1,770.86
<b>2017-18</b>	29,498.16	1,432.75
<b>2018-19</b>	37,658.79	1,859.55
<b>2019-20</b>	64536.38	20956.39
<b>2020-21</b>	80224.01	30445.35
<b>2021-22</b>	122590.22	48731.26
<b>2022-23</b>	159948.71	53727.84

Source: Myanmar Insurance Association

The life insurance market in Myanmar has seen significant growth and development over recent years, especially following market liberalization and regulatory reforms. The Myanmar government has welcomed foreign investment in the insurance sector. Several international insurance giants have established a presence in the country, bringing expertise, capital, and advanced products. This influx of foreign investment is expected to accelerate market development. Major players in the life insurance sector include AIA, Prudential, Dai-ichi Life, and Chubb Life.

Table (3.1) shows that Myanmar's private life insurance sector has been growing consistently since liberalization. From 2013–2014 to 2018–2019, the underwritten premium income increased from year to year. For the 2019-20 financial year, the life insurance sector in Myanmar showed notable growth and development. The total life insurance premium volume during this period was so high, which constituted 17% of the overall insurance premium volume in the country. This period also saw several significant developments in the regulatory environment aimed at encouraging market expansion and foreign participation.

The government mandated that local private insurers must divide their life and non-life insurance operations in order to facilitate collaborations with global insurers. This regulatory change was crucial for fostering a more competitive and robust insurance market. Foreign insurance companies brought advanced insurance products and expertise to the market. Although the market penetration remained relatively low, indicating significant potential for future growth as awareness and economic conditions improve. In examine, the entire claim amount is less than the premium income. Myanmar's insurers are able to make profits through their business each year.

**Table (3.2) Non-Life Insurance (Underwritten Premium and Claim Ratio)**

<b>General Insurance</b>	<b>Premium</b>	<b>Claim</b>
<b>2013-14</b>	47,152.29	3,952.02
<b>2014-15</b>	43,830.77	4,390.81
<b>2015-16</b>	52,228.00	7,010.02
<b>2016-17</b>	79,508.40	9,841.47
<b>2017-18</b>	78,832.39	16,209.54
<b>2018-19</b>	117,195.67	18,536.78
<b>2019-20</b>	128268.06	47859.50
<b>2020-21</b>	141250.85	27932.67
<b>2021-22</b>	178021.34	45061.61
<b>2022-23</b>	203714.39	56011.95

Source: Myanmar Insurance Association

The non-life insurance market in Myanmar has experienced substantial changes and growth due to regulatory reforms and market liberalization. The non-life insurance sector in Myanmar is relatively more developed than the life insurance sector. As of the 2019-2020 financial year, the non-life insurance premium volume stood at USD 232.32 million (Liberalisation Brings International Investment to Myanmar Insurance Sector - Asia 2020 - Oxford Business Group, n.d.). The sector has seen a steady increase in premium volumes, reflecting a growing awareness and demand for insurance products among businesses and individuals. Major players in the non-life insurance market include both local and foreign insurers. Prominent local companies are Myanma Insurance, AYA SOMPO Insurance, and GGI Insurance (Global Data UK Ltd, 2024).

Foreign insurers like AIG, Chubb, and Tokio Marine have also established their presence, contributing to increased competition and diversity in the market (Ross Taylor, 2021). Property insurance, motor vehicle insurance, marine cargo insurance, and health insurance are among the majority of the products offered by the non-life insurance industry. Specialized products such as travel insurance, liability insurance, and engineering insurance are also available, catering to specific needs of businesses and individuals. The Myanmar government has undertaken significant steps to liberalize the insurance market. Since 2013, private local insurers were allowed to operate, and foreign insurers were permitted to enter the market, enhancing competition and service quality (MOPF | Ministry of Planning and Finance.).

In 2019, the Insurance Business Regulatory Board (IBRB) introduced reforms that required local insurers to separate their life and non-life operations, facilitating clearer regulatory oversight and encouraging foreign investments. Regulatory changes aim to align Myanmar's insurance sector with international standards, ensuring greater transparency, improved governance, and enhanced consumer protection. Efforts have been made to streamline the licensing process, enforce solvency requirements, and enhance the overall regulatory framework governing the insurance industry (Bhamra, 2020). The large uninsured population presents a substantial growth opportunity. Increasing urbanization and economic development are expected to drive demand for insurance products.

Technological advancements and digital platforms offer opportunities to enhance service delivery, improve customer engagement, and streamline operational processes. In accordance with Table (3.2), the non-life insurance sector in Myanmar is

poised for continued growth, driven by regulatory reforms, increased foreign participation, and a growing awareness of the importance of insurance. The non-life insurance market has continued to show strong growth, with premiums growing by around 80% in the 2019-2020 fiscal year, despite the economic impacts of the COVID-19 pandemic. The non-life insurance sector in Myanmar typically settles claims for significantly less than the premiums it collects, leaving private insurance companies with a surplus that can be used to generate profits annually from their general insurance business.

### 3.5 Insurance Penetration and Density

Insurance penetration and density are critical metrics for analyzing the insurance market. Penetration and density provide a thorough understanding of the size, scope, and potential for expansion of the insurance industry. These key performance indicators can be used by insurers to create focused plans for interaction with customers, product development, and market expansion. These criteria can be used by regulators and policymakers to develop and execute policies that promote the expansion of insurance and improve financial inclusion. They provide valuable insights into market maturity, economic impact, consumer behavior, and potential growth opportunities.

**Table (3.3) Insurance Penetration Rate of Life Insurance Sector in Myanmar**

Year	Penetration Rate (%)
2013-14	1
2014-15	1.5
2015-16	2
2016-17	2.5
2017-18	3
2018-19	3.5
2019-20	4.5
2020-21	6
2021-22	9
2022-23	13.5

Sources: Myanmar Insurance Association

This metric indicates the share of GDP that is spent on life insurance. In 2013-

2016, the penetration rate during these years shows a steady increase from a low base. The growth suggests a gradually increasing awareness and adoption of life insurance products among the population. Economic growth during this period likely contributed to the rising penetration rate. As the economy expanded, disposable incomes increased, allowing more people to afford life insurance.

For these years (2017-2019), it is acceleration phase. The penetration rate continues to rise, reflecting significant growth in the life insurance sector. Factors such as improved economic conditions, regulatory support, and increased marketing efforts by insurance companies likely played a role. During this period, the government may have introduced policies to encourage insurance uptake, further driving growth.

The Surge Phase, 2019-2022, a notable jump in the penetration rate is observed. This period could have experienced a surge in premium growth, possibly driven by new product offerings, enhanced distribution channels, and a growing middle class. The market shows market maturity, with more people recognizing the importance of life insurance as part of their financial planning. In 2022-2023, the penetration rate continues to increase but at a potentially slower pace, indicating a stabilization of growth. This suggests that while the market is still expanding, the rapid initial growth phase might be tapering off.

**Table (3.4) Insurance Density Rate of Life Insurance Sector in Myanmar**

Year	Density Rate (Premium per Capita)
2013-14	0
2014-15	0.0004
2015-16	0.0006
2016-17	0.0008
2017-18	0.001
2018-19	0.0012
2019-20	0.0014
2020-21	0.0018
2021-22	0.0024
2022-23	0.003

Sources: Myanmar Insurance Association

The density rate of life insurance is calculated as the ratio of life insurance

premiums to the population, indicating the average premium per capita. In 2013-2016, the density rate shows a steady growth, indicating a gradual rise in the average premium per person. This suggests that more individuals are purchasing life insurance or existing policyholders are increasing their coverage. The growth in density rate reflects the early stages of market development, where the focus is on expanding the customer base.

The market is accelerated in 2017-2019. The rate of increase accelerates, showing a notable rise in the average premium per person. This could be due to higher disposable incomes, better insurance product offerings, and increased awareness. More comprehensive and higher-value insurance products may have been introduced, leading to higher premiums per capita.

For these years, 2019-2022, it is significant increase. A substantial increase in the density rate is evident, showing that not only is the number of policyholders increasing, but the average amount of coverage per person is also rising. Economic factors or significant market developments might have driven this trend. There is a shift towards higher-value life insurance products, reflecting increased consumer confidence and purchasing power.

The density rate continues to grow between 2022-2023 although maybe at a slower pace. The continued increase in density rate indicates a mature market where growth is sustained but more incremental. It suggests that people may have slightly more disposable income but they should spend with restraint. They may gradually start to put funds toward insurance, but not at a rapid rate.

According to Table (3.3) and (3.4), The life insurance market in Myanmar has shown substantial growth in both penetration and density rates from 2013 to 2023. This growth reflects a combination of economic development, regulatory support, effective marketing, and enhanced product offerings. Among other advantages, life insurance policies can encourage long-term savings. A population that is more concerned with future planning and financial security tends to have higher insurance densities, which may promote economic development in general. Moving forward, the market is poised for continued growth, driven by economic progress, increased awareness, and innovation in insurance products. However, challenges such as economic volatility and market saturation need to be managed to sustain this growth. The future prospects for the insurance sector in Myanmar remain positive, with significant opportunities for expansion and development.



**Table (3.5) Insurance Penetration Rate of General Insurance Sector in Myanmar**

Year	Penetration Rate (%)
2013-14	4
2014-15	3.5
2015-16	4
2016-17	6
2017-18	6.5
2018-19	7
2019-20	7
2020-21	8
2021-22	11
2022-23	17.5

Sources: Myanmar Insurance Association

In 2013-2016, general insurance market in Myanmar is low starting point. The penetration rate begins at a relatively low base but shows gradual growth, indicating initial phases of market development. The increase in penetration rate during these years likely correlates with economic growth, which enhances the ability of businesses and individuals to invest in general insurance.

The general insurance market in Myanmar has accelerated process in 2017-2019. The penetration rate rises more significantly, suggesting robust growth in the general insurance sector. This period may have benefited from regulatory reforms, improved economic conditions, or increased awareness. New products of general insurance's introductions and increased marketing efforts could have contributed to the higher penetration rate.

For the years between 2019-2022, the penetration rate experiences a notable surge, reflecting a substantial increase in premiums. This could be due to a combination of higher value policies, increased coverage, and economic factors driving demand for general insurance. Events such as natural disasters or economic volatility might have heightened risk awareness, leading to higher insurance uptake. In 2022-2023, the penetration rate continues to rise but at a potentially slower pace, indicating a maturing market. This suggests that while the market is expanding, the growth rate might be stabilizing.

**Table (3.6) Insurance Density Rate of General Insurance Sector in Myanmar**

Year	Density Rate (Premium per Capita)
2013-14	0.001
2014-15	0.001
2015-16	0.0013
2016-17	0.0016
2017-18	0.0017
2018-19	0.002
2019-20	0.0021
2020-21	0.0024
2021-22	0.003
2022-23	0.0035

Sources: Myanmar Insurance Association

In 2013-2016, the density rate shows a steady increase, indicating gradual growth in premium payments per person. This suggests more individuals and businesses are purchasing general insurance. The growth in density rate reflects early stages of market development, focusing on expanding the customer base and increasing coverage.

It is an acceleration period between 2017-2019. The rate of increase in the density rate accelerates, showing a notable rise in the average premium per person. This could be due to higher disposable incomes, better insurance product offerings, and increased awareness. More comprehensive and higher-value insurance products may have been introduced, leading to higher premiums per capita.

For the years between 2019-2022, a substantial increase in the density rate is evident, showing that the number of policyholders is increasing and the average amount of coverage per person is rising. Economic factors or significant market developments might have driven this trend. There is a shift towards higher-value general insurance products, reflecting increased consumer confidence and purchasing power. In 2022-2023, the density rate continues to grow. However, it is slowly pace. It suggests a mature market where growth is sustained but more incremental. The continued increase in density rate indicates a mature market where the focus is on increasing the value of premiums rather than just expanding the customer base.

According to Table (3.5) and (3.6), the general insurance market in Myanmar has shown substantial growth in both penetration and density rates from 2013 to 2023. This growth reflects a combination of economic development, regulatory support, effective marketing, and enhanced product offerings. In the future, the market is expected to keep growing due to economic development, increased awareness, and advancements in insurance products. However, it is essential to face challenges such as economic instability and market saturation in order to sustain this growth. There are plenty of opportunities for growth and advancement in Myanmar's general insurance sector, indicating a positive future outlook.

For positive indicators, continued economic development in Myanmar will likely lead to higher disposable incomes, enabling more people to afford life insurance and general insurance. This will drive both penetration and density rates higher. Favorable regulatory changes can further stimulate both insurance market. Especially, policies that encourage insurance uptake, such as tax incentives and mandatory insurance requirements, can boost market growth. Ongoing education and marketing efforts by insurance companies will raise awareness about the importance of life insurance, leading to higher adoption rates. Introduction of new and innovative insurance products tailored to the needs of the population can attract more customers and increase the average premium per capita.

For the challenges of insurance sector in Myanmar, economic downturns or instability can negatively impact disposable incomes, reducing the ability of individuals to purchase life insurance and general insurance. Unfavorable regulatory changes or bureaucratic obstacles can hinder market growth. As the market matures, the rapid growth phase may taper off, leading to slower but more stable growth.

For the development of insurance sector in Myanmar, there is significant potential for market expansion, particularly in underinsured or uninsured segments of the population. Rural areas and lower-income groups present opportunities for growth. Leveraging technology to offer digital insurance products and services can enhance customer reach and engagement, driving further growth. Collaborations between insurance companies, banks, and other financial institutions can create synergies and expand the market. Developing customized insurance products that cater to specific demographic or occupational groups can increase penetration and density rates.

## **CHAPTER IV**

### **SURVEY ANALYSIS**

#### **4.1 Survey Profile**

The primary data is collected through 100 current policyholders, both male and female, from various insurance companies in the Yangon area. The collected personal information includes details such as gender, age, education level, occupation, and monthly income, current policy holding.

#### **4.2 Survey Design**

The policyholders are essential in a study on the development of insurance sector. Thus, this survey focuses mostly on examining customer feedback about performance of insurance companies in Myanmar, knowledge of the benefits of the insurance system and views on future prospects of insurance sector in Myanmar. In this study, the survey method is the questionnaire survey method for collecting the primary data. A structured questionnaire, as attached, uses five Likert scales to measure three dimensions about the development of insurance sector in Myanmar. There are two sections to the questionnaires used in this exploratory study. Part A includes about gender, age, education, occupation, monthly income level and policy holding at present.

Part B used a five-point Likert scale method, ranging from strongly disagree to strongly agree (Ranking from Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 to 5 = Strongly Agree”). In this section, twenty-one questions are conducted to measure the Customers' Perspectives on Performance of Insurance Companies, Customers' Knowledge of the Benefits of the Insurance System and Customers' Views on Future Prospects of Insurance Sector in Myanmar.

#### **4.3 Survey Findings**

In order to study the insurance sector conditions in Myanmar, survey findings on the customers from various insurance companies is shown in four sections which are the personal information, the Customers' Perspectives on Performance of Insurance Companies in Myanmar, the Customers' Knowledge of the Benefits of the Insurance

System and Customers' Views on Future Prospects of Insurance Sector in Myanmar from insurance and the data is presented as tables. Insurance works by pooling risk. The more customers participate, the more balanced and predictable the pool becomes, allowing insurers to better assess risk and set premiums appropriately.

**(a) Personal Information of Respondents (Customers)**

For this study, the target group of respondents is based on 100 people who are current policyholders, comprising of both male and female from various insurers operating in the Yangon region.

**Table 4.1 Personal Information of the Respondents**

No.	Variable	Characteristics	No. of Respondents	Percent
1.	Gender	Male	48	48
		Female	52	52
		<b>Total</b>	<b>100</b>	<b>100</b>
2.	Age (in years)	18 to 30	17	17
		31 to 40	59	59
		41 to 50	20	20
		Above 50	4	4
		<b>Total</b>	<b>100</b>	<b>100</b>
3.	Occupation	Employee (Public/Private)	64	64
		Self-employed	16	16
		Professional	7	7
		Others	13	13
		<b>Total</b>	<b>100</b>	<b>100</b>
4.	Monthly income (in Ks.)	Less than 200,000	0	0
		200,000 to 350,000	5	5
		350,001 to 500,000	16	16
		Above 500,000	79	79
		<b>Total</b>	<b>100</b>	<b>100</b>
5.	Policy Holding	One Policy	63	63
		Two Policies	20	20
		Three Policies	11	11
		Four Policies & Above	6	6
		<b>Total</b>	<b>100</b>	<b>100</b>

Source: Survey data (2024)

As stated in table (4.1), 100 respondents completed the questionnaire for this study. The majority of replies (52%, or 52) are female. According to the questionnaire results, 59 respondents aged 31 to under 40 made up the majority (59%). 17 respondents, each between the ages of 31 and 40, represent (17%); 20 respondents, each between the ages of 41 and 50, represent (20%); and 4 respondents are over the age of 50.

Most of the 64 responders (64%) are either private or public employees. According to the questionnaire results, 16 respondents are self-employed (16%), 7 are professionals, and 13 are others (13%). According to the statistics, 79 of the respondents have a monthly income of more than 500000 (in Ks.), accounting for 79% of the total. sixteen participants, each with a monthly income of 350,001 to under 500,000 (in Ks.), representing (16%); five respondents, each with a monthly income of 200,000 to under 350,000 (in Ks.), representing 5%; and no respondent with a monthly income of less than 200,000.

**(b) Customers' Perspectives on Performance of Insurance Companies in Myanmar**

Customer satisfaction matters greatly in the insurance industry because it is based on services. Customer satisfaction with a company's services is frequently viewed as an important component to a company's success and long-term competitiveness, which can assist in the improvement of present performance and intended performance. Customer satisfaction and perceptions of the quality of services received from the insurance company reflect the performance of insurance companies.

**Table (4.2)****Customers' Perspectives on Performance of Insurance Companies in Myanmar**

<b>Statements</b>	<b>Mean Score</b>	<b>Rank</b>
Insurance companies in Myanmar have strongly financial background.	4.18	1
Insurance companies can perform the problem solving until the customer satisfaction.	3.49	5
Insurance companies do not delay in claim process.	3.35	7
Employees from insurance companies have well-known insurance knowledge.	3.87	2
Insurance companies in Myanmar follow the business ethics when they provide insurance services to customers.	3.78	3
Anyone going overseas for business or school is able to buy life insurance policies easily.	3.7	4
When a claim occurs, the customer can be satisfied with the compensation offered by insurance companies.	3.48	6
Average	3.69	

Source: Survey data (2024)

In the above table (4.2), the mean value of first statement is 4.18 and it ranks first. 4.18 is relatively high, the participants generally perceive Myanmar's insurance companies as financially stable. A strong financial background is crucial for any insurance company to assure customers that they can cover claims. This positive perception could enhance customer trust and attract more clients. For the second, 3.49 is moderate, indicating that while customers feel that problem-solving efforts are adequate, there is room for improvement. Effective problem-solving is essential for customer satisfaction. The moderate score suggests that insurance companies need to enhance their problem-solving processes to meet customer expectations fully.

The third statement is 3.35, the lowest score, highlighting concerns about delays in the claims process. Timely claims processing is critical for customer satisfaction. Delays can lead to dissatisfaction and loss of trust. Insurance companies should focus on streamlining and expediting their claims process. For the fourth, 3.87 is high, indicating that employees are perceived as knowledgeable. Knowledgeable employees can provide better service and accurate information, which is vital for customer

confidence and satisfaction. Continued training and development can maintain and improve this perception.

The mean score of statement linked to following ethics of insurers shows 3.78, is relatively high, suggesting that customers generally believe in the ethical practices of insurance companies. Adherence to business ethics is crucial for maintaining trust and credibility. A high score here indicates a strong ethical foundation, which is essential for long-term customer relationships. Based on the mean value of sixth statement indicate that 3.7 is positive, indicating that purchasing life insurance for overseas travel or study is relatively easy. Ease of purchasing life insurance is important for customers who need quick and reliable coverage. This ease of access can enhance customer convenience and satisfaction. The mean score of final statement shows 3.48, moderate, nearly similar to the problem-solving score. Satisfaction with compensation is crucial for maintaining customer trust. This score suggests that while compensation is generally satisfactory, improvements can be made to ensure customers feel fully compensated.

In conclusion, The mean score of the overall statement indicated that this average score 3.49 indicates a generally positive perception of the insurance industry in Myanmar, with certain areas needing improvement. The insurance industry in Myanmar is viewed positively in terms of financial stability, employee knowledge, ethical practices, and accessibility of life insurance. However, there are notable areas for improvement in problem-solving, claim processing, and ensuring customer satisfaction with compensation. By addressing these issues, insurance companies can enhance overall customer satisfaction and trust.

### **(c) Customers' Knowledge of the Benefits of the Insurance System**

Customers with a clear understanding of their insurance options can choose policies that align with their specific needs and risk profiles. Knowledge empowers customers to avoid overpaying for unnecessary coverage or underinsuring themselves, leading to optimal financial decisions. Customers who understand their policy terms are less likely to misunderstand coverage, leading to fewer disputes during the claims process. When customers accurately document claims and understand the required information, the claims process becomes smoother and quicker. Customers who perceive the value of their insurance are more likely to renew their policies. Feeling understood and well-served encourages customer loyalty and advocacy. Informed



customers drive demand for specific insurance products, influencing industry innovation and development. In essence, customers who understand the benefits of insurance are more likely to be satisfied customers, leading to a healthier insurance market overall.

**Table (4.3)**

**Customers' Knowledge of the Benefits of the Insurance System in Myanmar**

Statements	Mean Score	Rank
Fire Insurance provides financial protection for property against loss or damage by fire & other specified perils.	3.99	5
Every owner of a vehicle needs to have a comprehensive motor insurance policy.	4.1	2
Motor insurance can protect loss of or damage to the policy holder's vehicle and the other vehicle due to the accident of the policy holder.	4.06	3
The businesses can be protected from the loss and damages of economic assets in insurance system.	3.89	6
Insurance market provide the sustainable growth of a country economy by remedy the financially losses of policyholders and businesses operated in a country.	4	4
Life insurance is a saving policy type includes a benefit that is paid out if the insured individual is still alive at a pre-determined time.	4.23	1
Hospitalization expenses can be recovered for the benefits of health insurance.	3.76	7
Average	4.00	

Source: Survey data (2024)

According to table (4.3) to analyze the statements related to customers' knowledge of the benefits of the insurance system in Myanmar, the mean value of the first statement is 3.99, and it ranks fifth. It indicates a good understanding among customers about the benefits of fire insurance. Customers recognize that fire insurance offers essential protection against significant risks, which is crucial for property owners.

The second statement is 4.1, relatively high and ranked second shows strong awareness of the necessity for comprehensive motor insurance.

For the third statement, this is 4.06, another high score, indicates that customers understand the protective benefits of motor insurance. This understanding is important as it highlights that customers are aware of the extensive coverage motor insurance provides, which includes damage to both their own vehicle and others involved in an accident. The fourth statement is 3.89, slightly lower than other scores but still positive and ranked sixth. While customers recognize the importance of business insurance, there may be a need for further education on the specific benefits and coverage options available to businesses.

Due to the mean value of fifth statement indicates 4.00, exactly at the average, indicating a balanced view. Customers appreciate the macroeconomic benefits of the insurance industry, understanding its role in providing financial stability and supporting economic growth by mitigating financial losses. The mean score of statement related to life insurance is 4.23, the highest score, reflects a strong understanding of the dual benefits of life insurance as both a risk management tool and a savings mechanism. This high score indicates that life insurance is highly valued and well-understood by customers, which can drive higher adoption and satisfaction with life insurance products. The mean score of final statement about customers' knowledge of the benefits of the insurance system is 3.76, the lowest score among the statements. While still positive, this lower score suggests that customers may not be fully aware of the extent of benefits provided by health insurance for hospitalization expenses. This indicates an area where further education and communication could improve understanding and satisfaction.

The average score of 4.00 reflects a generally good understanding of the benefits of the insurance system among customers. Customers in Myanmar have a good understanding of the benefits provided by various insurance products, with an average score of 4.00. Life insurance, motor insurance, and the economic benefits of the insurance market are particularly well-regarded and understood. However, there are areas where customer knowledge could be enhanced, specifically regarding business insurance and health insurance for hospitalization expenses. Improving education and communication about these areas could lead to a better-informed customer base and higher satisfaction with insurance products overall.

**(d) Customers' Views on Future Prospects of Insurance Sector in Myanmar**

Customers' views on future prospects of Myanmar's insurance sector close links to the development of Myanmar's insurance sector. Their opinions, needs, and expectations can significantly influence the industry's growth, development, and overall success. Understanding customers' views on the current insurance offerings and their future needs can help insurers identify gaps in the market. This allows them to develop new products and services that better cater to evolving customer demands, ensuring the industry remains relevant and responsive.

Customers' views on the potential growth areas and emerging trends in the insurance industry can help guide insurers' geographic and segment expansion strategies. This ensures resources are allocated to the most promising opportunities, maximizing the industry's growth potential. Insights into customers' preferences, pain points, and aspirations for insurance can directly inform product development strategies. This helps insurers design solutions that are more aligned with customer expectations, increasing the likelihood of market acceptance and adoption. Customers' views on the future prospects of the insurance sector in Myanmar are essential for understanding market trends and growth potential. This information helps insurers and policymakers make informed decisions about market development, ensuring the industry continues to grow and evolve in a sustainable manner.

**Table (4.4)****Customers' Views on Future Prospects of Insurance Sector in Myanmar**

<b>Statements</b>	<b>Mean Score</b>	<b>Rank</b>
In the long run, the insurance sectors have more market expansion.	4.09	2
Digital technology can provide the growth of insurance market.	4.12	1
Insurance plays an important role in the future of Myanmar's economy.	3.88	5
In the future, insurance companies can increase their penetration in rural areas.	3.87	6
Insurance market is profitable and growing at present.	3.76	7
New insurance products will give more benefits for Customers.	3.94	4
Insurance companies will be able to sell their products through more distribution channels in the future.	4.07	3
Average	3.96	

Source: Survey data (2024)

In accordance to the survey results listed in Table (4.4), the mean value of the first statement is 4.09, ranked 2. It indicates strong optimism about the long-term growth and expansion of the insurance sector. Customers believe that the insurance sector has significant potential for growth, which is a positive indicator for future investments and development in this market. The second statement concerning digital technology provide insurance sector, the mean score is 4.12, with rated first. It is the highest score, suggesting a strong belief in the transformative power of digital technology for the insurance market. The third statement regarding Insurance role in the future of Myanmar's economy, the mean score is 3.88 with ranked 5. That is moderately high, reflects the recognition of the insurance sector's economic significance. Customers acknowledge the important role that insurance will play in the economic development of Myanmar, contributing to financial stability and growth.

The mean score of fourth statement is 3.87, similar to the previous statement, indicating a belief in the potential for rural market expansion. There is a positive outlook on the ability of insurance companies to reach and serve rural populations, which could lead to greater financial inclusion and market growth. The mean score of the fifth statement referring to the current situations in the insurance sector is 3.76, the lowest score, the lowest score, but still positive, indicating that customers see the current market as profitable and growing, though with some reservations. While customers view the market as profitable, there might be concerns or uncertainties about the sustainability and scale of current growth. For the sixth statement, the mean score is 3.94 and ranked fourth indicates optimism about the introduction of new insurance products. Customers see value in product innovation. There is an expectation that new products will better meet customer needs and offer additional benefits, driving higher satisfaction and adoption rates. The mean score of the statement relating to distribution channels is 4.07, shows a strong belief in the expansion of distribution channels. This reflects customer confidence that insurance companies will leverage multiple distribution channels, enhancing accessibility and convenience for customers.

Customers in Myanmar are optimistic about the future prospects of the insurance sector, with an average score of 3.96. They see significant potential for growth driven by digital technology, market expansion, and diversification of distribution channels. There is also a positive outlook on the introduction of new products and the sector's role in the economy. And then, the customers expect about the sector's impact on rural areas and the broader economy. Addressing these areas can help solidify the future optimistic of customers for the development of insurance sector in Myanmar.

## **CHAPTER V**

### **CONCLUSION**

#### **5.1 Findings**

This study examines the trends in life insurance premiums and claims over a decade, from 2013 to 2023. The data reveals significant growth in both the premiums collected and claims paid out, highlighting the dynamics of the life insurance market in Myanmar. The premiums have shown a consistent and substantial increase year over year. The premiums grew from 3,374.03 to 37,658.79, indicating a more than tenfold increase in just six years (2013-14 to 2018-19). There was a dramatic rise in premiums from 64,536.38 to 159,948.71, nearly tripling in four years (2019-20 to 2022-23). Claims also increased but not as rapidly as premiums. However, the claim ratio began to increase in 2019-20 to 2022-23.

In non-life insurance underwritten premium and claim ratio, premiums grew from 47,152.29 to 117,195.67, indicating more than a doubling in six years from 2013-14 to 2018-19, despite a dip in 2014-15. Premiums increased from 128,268.06 to 203,714.39, reflecting a steady growth trajectory from 2020-21 to 2023-24. The premiums for non-life insurance have shown overall growth, with significant increases in recent years. The rise in claim ratios, particularly in recent years, indicates higher risk exposure and potential concerns regarding profitability.

Customers perceive Myanmar's insurance companies as financially stable, a critical factor in building trust and assuring customers that claims will be covered. The strong financial stability of insurance companies enhances customer trust and can attract more clients. For the customers, the employees of insurance companies in Myanmar are perceived as knowledgeable, which is vital for providing accurate information and quality service. Customers generally believe that insurance companies adhere to ethical practices, which is crucial for maintaining trust and credibility. Customers find it relatively easy to purchase life insurance for overseas travel or study, which enhances convenience and satisfaction. Customers thought the compensation they received was adequate, but there is clearly space for improvement to ensure they

feel they are receiving what they deserve. On another note, there were complaints that claim processing took too long.

Customers have a strong understanding of life insurance's dual benefits as a risk management tool and a savings mechanism. Life insurance is highly valued and well-understood by customers, driving higher adoption and satisfaction with these products. Customers have a good understanding of fire insurance, recognizing its crucial role in protecting against significant risks for property owners. There is strong awareness of the necessity for comprehensive motor insurance, indicating that customers value the extensive coverage it provides. Customers understand the protective benefits of motor insurance, including coverage for damages to both of their own and other vehicles involved in an accident. Customers have a balanced view of the insurance industry's role in providing financial stability and supporting economic growth by mitigating financial losses.

Policyholders in Myanmar are highly optimistic about the insurance market's long-term growth and expansion, indicating significant potential for future investments and development. They have strong belief in the transformative power of digital technology, highlighting its importance in driving the future of the insurance market. Customers recognize the insurance sector's crucial role in Myanmar's economic development, contributing to financial stability and growth. Customers are optimistic about the introduction of new insurance products, expecting innovation to meet their needs better and offer additional benefits. There is strong confidence in the expansion of distribution channels, reflecting the belief that this will enhance accessibility and convenience for customers.

## **5.2 Suggestion**

The life insurance market in Myanmar has experienced robust growth in both premiums and claims over the past decade. The rising claim ratios highlight the need for insurers to balance growth with effective risk management. Future strategies should focus on maintaining profitability while continuing to attract new customers and managing the increasing claims effectively. The non-life insurance market in Myanmar has experienced considerable growth in premiums over the past decade, reflecting increased demand for non-life insurance products. However, the fluctuating and rising claim ratios in recent years highlight the need for insurers to manage risk effectively

and ensure sustainable profitability. Strategic measures focusing on risk assessment, claims management, and product innovation will be essential to maintaining market growth and stability.

Customers view the industry favorably in terms of financial stability, employee knowledge, ethical practices, and ease of purchasing life insurance. However, there are notable areas needing improvement, particularly in problem-solving, claim processing, and ensuring customer satisfaction with compensation. By addressing these issues, insurance companies can further enhance customer satisfaction and trust.

Customers have a generally good understanding of the benefits of the insurance system among customers in Myanmar. Life insurance, motor insurance, and the economic benefits of the insurance market are particularly well-regarded and understood. But there are areas where customer knowledge could be enhanced, especially regarding business insurance and health insurance for hospitalization expenses. Improving education and communication about these areas could lead to a better-informed customer base and higher satisfaction with insurance products overall.

Overall, customers in Myanmar are optimistic about the future prospects of the insurance industry. The development of insurance sector is affected by this impact. Future prospects for Myanmar's insurance sector are viewed with optimism, driven by anticipated advancements in digital technology, market expansion, and diversification of distribution channels. This optimism extends to the introduction of more benefit insurance products and the anticipated positive contribution of the insurance sector to the national economy. In order to sustain the development of insurance sector in Myanmar, it will be necessary to maintain the optimistic view in perception of the policyholders (customers).



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## APPENDIX (A)

**Table (1) Number of Insurance Companies (Life Insurance) in Myanmar**

<b>No.</b>	<b>Name of insurance companies</b>	<b>Type of insurance companies</b>
1.	AIA Myanmar Life Insurance	100% Foreign Investment
2.	AYA Myanmar Life Insurance	Local Company
3.	Aung Thitsar Oo Life Insurance	Local Company
4.	Aung Myint Moh Min Life Insurance	Local Company
5.	A Life Insurance	Local Company
6.	Capital Taiyo Life Insurance	Joint Venture
7.	Citizen Business Life Insurance	Joint Venture
8.	Chubb Life Insurance	100% Foreign Investment
9.	Daichi Life Insurance	100% Foreign Investment
10.	Excellent Fortune Life Insurance	Local Company
11.	First National Life Insurance	Local Company
12.	GGI Nippon Life Insurance	Joint Venture
13.	Global World Life Insurance	Local Company
14.	KBZ Life Insurance	Local Company
15.	Manulife Life Insurance	100% Foreign Investment
16.	Myanma Insurance (Life)	State Owned Enterprise
17.	Prudential Life Insurance	100% Foreign Investment
18.	Young Life Insurance	Local Company

Source: Myanmar Insurance Association

**Table (2) Number of Insurance Companies (General Insurance) in Myanmar**

<b>No.</b>	<b>Name of insurance companies</b>	<b>Type of insurance companies</b>
1.	Aung Thitsar Oo General Insurance	Local Company
2.	AYA Sompo General Insurance	Joint Venture
3.	A Insurance	Local Company
4.	Excellent Fortune General Insurance	Local Company
5.	First National General Insurance	Local Company
6.	GGI Tokio Mairne General Insurance	Joint Venture
7.	Global World General Insurance	Local Company
8.	KBZ MS General Insurance	Joint Venture
9.	Myanma Insurance (General)	State Owned Enterprise
10.	Young General Insurance	Local Company

Source: Myanmar Insurance Association

## APPENDIX (B)

### SURVEY QUESTIONNAIRE ON RESEARCH TOPIC

Dear Respondent, I wish to inform you that I am pursuing my research on the topic “**A Study on the Development of Insurance Sector in Myanmar**”.

This survey is intended to study in doing research for Master of Development Studies, Yangon University of Economics.

The world faces many challenges and risks. It can effect on business, enterprises and also individuals. Thus, risk management is important for everyone. Insurance is a best way of risk sharing. It can protect financial loss and provide for recovery process. And then insurance market is useful to develop financial market of the country.

#### ‘A Study on the Development of Insurance Sector in Myanmar’

**Contribution:** Your answers will be used to show the circumstances surrounding the development of insurance sector in Myanmar and the perception of customers in this sector. For this reason, I am really appreciative of your participation, which will help the prospects of insurance market in Myanmar.

**Confidentially:** I guarantee that the information you contributed will only be used for academic study. All responses will be kept anonymous and under strict confidentiality. We shall represent the data in a way that makes it impossible to identify any specific person. Your name will not be filled in paper. Appreciate your valuable time and kind cooperation.

Please tack a mark (✓) the appropriate response.

#### (a) **Personal Information of Participants:**

1. Gender : Male ☐ Female ☐
2. Age : 18 to 30 ☐ 31 to 40 ☐ 41 to 50 ☐ Above 50 ☐
3. Level of Education:  
High School ☐ Undergraduate ☐ Bachelor’s degree ☐ Master & above ☐
4. Occupation:  
Employee (Public/Private) ☐ Self-employed ☐ Professional ☐ Others ☐
5. Monthly Income (in Kyats)  
Less than 200,000 ☐ 200,000 to 350,000 ☐  
350,001 to 500,000 ☐ Above 500,000 ☐
6. How many policies do you have?  
One Policy ☐ Two Policy ☐ Three Policies ☐ Four & Above ☐



(b) Please mark (✓) in the respective box that your agreement/disagreement on the following statements regarding **Customers' Perspectives on Performance of Insurance Companies in Myanmar** described by each statement.

**Note:**

Strongly Disagree = 1, Disagree = 2, Neither agree nor disagree = 3, Agree = 4, Strongly Agree = 5

No .	Statements	1	2	3	4	5
1.	Insurance companies in Myanmar have strongly financial background.					
2.	Insurance companies can perform the problem solving until the customer satisfaction.					
3.	Insurance companies do not delay in claim process.					
4.	Employees from insurance companies have well-known insurance knowledge.					
5.	Insurance companies in Myanmar follow the business ethics when they provide insurance services to customers.					
6.	Anyone going overseas for business or school is able to buy life insurance policies easily.					
7.	When a claim occurs, the customer can be satisfied with the compensation offered by insurance companies.					

- (c) Please mark (✓) in the respective box that your agreement/disagreement on the following statements regarding **Customers' Knowledge of the Benefits of the Insurance System** described by each statement.

**Note:**

Strongly Disagree = 1, Disagree = 2, Neither agree nor disagree = 3, Agree = 4,

Strongly Agree = 5

No.	Statements	1	2	3	4	5
1.	Fire Insurance provides financial protection for property against loss or damage by fire & other specified perils.					
2.	Every owner of a vehicle needs to have a comprehensive motor insurance policy.					
3.	Motor insurance can protect loss of or damage to the policy holder's vehicle and the other vehicle due to the accident of the policy holder.					
4.	The businesses can be protected from the loss and damages of economic assets in insurance system.					
5.	Insurance market provide the sustainable growth of a country economy by remedy the financially losses of policyholders and businesses operated in a country.					
6.	life insurance is a saving policy type include a benefit that is paid out if the insured individual is still alive at a predetermined time.					
7.	Hospitalization expenses can be recovered for the benefits of health insurance.					

- (d) Please mark (✓) in the respective box that your agreement/disagreement on the following statements **Customers' Views on Future Prospects of Insurance Sector in Myanmar** described by each statement.

**Note:**

Strongly Disagree = 1, Disagree = 2, Neither agree nor disagree = 3, Agree = 4,

Strongly Agree = 5

No.	Statements	1	2	3	4	5
1.	In the long run, the insurance sector have more market expansion.					
2.	Digital technology can provide the growth of insurance market.					
3.	Insurance plays an important role in the future of Myanmar's economy.					
4.	In the future, insurance companies can increase their penetration in rural areas.					
5.	Insurance market is profitable and growing at present.					
6.	New insurance products will give more benefits for customers.					
7.	Insurance companies will be able to sell their products through more distribution channels in the future.					

**(Thanks for your cooperation)**