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CUSTOMER PERCEPTION OF IT ADOPTION IN MYANMAR'S GENERAL INSURANCE SECTOR

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MDevS – 26 (18th BATCH)

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

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This is to certify that the thesis entitled **"Customer Perception of IT Adoption in Myanmar's General Insurance Sector"** submitted as partial fulfillment towards the requirements for the degree of Master of Development Studies has been witnessed by the Board of Examiners.

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ABSTRACT

This study aims to explore customer perceptions of IT adoption in Myanmar's general insurance sector, focusing on the opportunities and challenges it presents to both consumers and insurance companies. The objectives of the study are to identify the key factors influencing customer perception of IT Adoption in local insurance sector in the Myanmar insurance sector and to evaluate the relationship between IT adoption and customer perception of three private local insurance companies. There are approximately 4200 customers during the periods January 2025 to April 2025. By using Taro Yamane Sample size calculator, sample size of the study is 365 nos. Among these respondents, the study from A Insurance, EFI insurance Company and FNI Insurance Company. Through a combination of primary and secondary data, including surveys from three local insurance companies, the study investigates empirical insights into how customers perceive the adoption of IT enabled services in the general insurance sector. The study provides suggestions for local insurance companies and policymakers to overcome the barriers to IT adoption, ultimately supporting the growth of Myanmar's digital insurance market.

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LIST OF ABBREVIATIONS

OECD	Organization for Economic Cooperation and Development
IT	Information Technology
EFI	Excellent Fortune Insurance
FNI	First National Insurance
AI	Artificial Intelligence
RPA	Robotic Process Automation
TAM	Technology Acceptance Model
IoT	Internet of Things
SEM	Structural Equation Modeling
IPMA	Importance Performance Map Analysis
MI	Myanma Insurance
IBRB	Insurance Business Regulatory Board
ADB	Asian Development Bank
MOPF	Ministry of Planning and Finance
MIA	Myanmar Insurance Association

CHAPTER I
INTRODUCTION

1.1 Rationale of the Study

The integration of Information Technology (IT) into financial services, particularly the insurance sector, is rapidly transforming global business operations. IT adoption has been shown to significantly enhance operational efficiency, reduce administrative costs, and improve customer satisfaction by streamlining processes and enabling personalized services (Eling & Lehmann, 2018). In both developed and emerging markets, digital innovations such as mobile platforms, cloud computing, and big data analytics have fundamentally reshaped how insurers engage with their clients (PwC, 2022).

In the Southeast Asian context, including countries like Malaysia, Thailand, and Vietnam, the digital transformation of insurance services has accelerated in response to increasing competition and evolving consumer expectations. Digital platforms are now central to policy distribution, claims processing, and customer service delivery (ASEAN Insurance Council, 2021). Myanmar, while still in the early stages of digital adoption, has begun to follow this regional trend as part of its broader financial sector liberalization and economic reform initiatives (Aung & Myint, 2020).

Myanmar's insurance sector remains relatively underdeveloped, with one of the lowest insurance penetration rates in the ASEAN region—less than 1% as of 2022 (OECD, 2022). Major challenges include limited consumer trust, low public awareness, and a lack of digital infrastructure. However, since the liberalization of the insurance market in 2013 and the entry of private insurers, the sector has been undergoing transformation, including gradual investments in IT to modernize operations (Myanmar Insurance Association, 2023).

Digital transformation presents both opportunities and challenges. On one hand, technologies such as online policy issuance, mobile applications, and digital payments can enhance accessibility and convenience. On the other, digital literacy gaps, especially between rural and urban populations, hinder equitable adoption (Asian evelopment Bank [ADB], 2021). Moreover, concerns over cybersecurity, data privacy,

and the absence of robust regulatory frameworks continue to affect customer confidence in digital platforms (Central Bank of Myanmar, 2023).

Despite ongoing efforts by insurers to invest in IT systems, there is a lack of empirical research on how customers perceive these changes. Understanding customer perceptions is essential to designing effective digital strategies and improving user experiences. Research in other emerging markets suggests that user attitudes, trust, and perceived usefulness play significant roles in technology adoption (Davis, 1989; Venkatesh et al., 2003).

IT integration in the insurance sector is crucial for improving customer service, operational efficiency, and competitiveness in a quickly changing digital environment (Eling & Lehmann, 2018). In Myanmar, where the general insurance business is still developing, smartphone apps, online policy administration, and automated claim processing are changing how insurers deal with clients (Myanmar Insurance Association, 2023). The effectiveness of these digital projects hinges on how customers react to them.

Customer perspectives of IT adoption in Myanmar's general insurance market are examined in this study. The research examines simplicity of use, trust, technical accessibility, and perceived advantages to assist insurers build customer-centered digital services. These insights are crucial for developing strategies that boost digital engagement, consumer happiness, and sector-wide digital transformation.

The findings of the study are expected to assist insurance companies in developing IT solutions that are more aligned with customer needs and behaviors. Additionally, the results will inform practical decision-making for enhancing service quality and achieving sustainable business growth in a competitive insurance landscape. For policymakers, the study offers evidence-based perspectives on how to support digital inclusion, strengthen data protection measures, and encourage the development of IT infrastructure across different regions of Myanmar (Central Bank of Myanmar, 2023).

Moreover, the study contributes to economic development by supporting efforts to modernize Myanmar’s financial services and promote broader access to insurance through digital innovation. It also presents useful information for international

organizations and sector stakeholders aiming to expand digital literacy and accelerate technology-driven solutions in the insurance sector.

1.2 Objective of the Study

The specific objectives are;

(1) To identify the key factors influencing customer perception of IT Adoption In local insurance sector in the Myanmar insurance sector.

(2) To evaluate the relationship between IT adoption and customer perception of three private local insurance companies.

1.3 Method of Study

This descriptive research employs a structured questionnaire to collect data from Myanmar general insurance customers. We use primary and secondary data to attain these goals. A questionnaire survey is required for quantitative and qualitative methods. The basic data comes from 365 clients of three local insurance companies. This study uses descriptive statistics, correlation, and regression to identify data patterns and correlations. Secondary data comes from website Annual Reports, related papers, and textbooks. The Myanmar Insurance Association (MIA) and Financial Regulatory Department (FRD), Ministry of Planning & Finance of Myanmar, provided some external secondary data.

1.4 Scope and Limitations of the Study

This study focuses on IT adoption in the general insurance sector in Myanmar, examining customer perceptions with digital insurance services There are approximately 4200 customers during the periods January 2025 to April 2025. By using Taro Yamane Sample size calculator, sample size of the study is 365 numbers. The scope of this study includes a comprehensive survey conducted across three Local Insurance Sector in Myanmar, with data collection focused on the local Insurance Sector of Excellent Fortune Insurance, First National Insurance and A Insurance. The primary data collection targeted individuals across diverse regions to provide a broad perspective, aiming to enhance understanding of how digital transformation can improve customer experiences in urban centers like Yangon.

1.5 Organization of the Study

This research has five chapters. Chapter 1 describes the study's motivation, objectives, methods, scope, and organization. IT adoption, consumer perception, and past studies are reviewed in Chapter 2. Chapter 3 covers Myanmar's insurance sector and IT use. Chapter 4 covers survey design, respondent characteristics, and data analysis. Chapter 5 summarizes findings, suggests IT adoption tactics, and discusses future study.

CHAPTER II
LITERATURE REVIEW

2.1 Development of the Insurance Sector

The insurance sector is one of the world's oldest and most important economic industries. Its origins date back thousands of years, when fundamental risk-sharing agreements evolved into the sophisticated, highly regulated institutions we know today.

Insurance-like procedures have been used since ancient times. The Code of Hammurabi, written circa 1750 BCE in Babylon, contained articles that safeguarded merchants against damages. If a borrower is unable to repay a loan owing to a catastrophe, the debt is forgiven (Harper, 1904). Similarly, in ancient China and India, traders would spread their wares across multiple ships to reduce the loss caused by a single vessel sinking (Mehr and Cammack, 1972).

The Mediterranean region saw the emergence of the first organized insurance systems. Greek and Roman communities established "benevolent societies," in which members contributed to a fund to defray burial expenses (Clark, 1999). These early procedures were based on mutual aid and risk pooling, two notions that are still central to modern insurance.

Modern insurance as we know it originated during the Renaissance. In the 14th century, Italian merchants in Genoa and Venice began establishing marine insurance contracts to protect their trading endeavors (Raynes, 1948). By the seventeenth century, London's expanding commercial prominence had prompted the establishment of more formal insurance institutions.

One watershed point was the establishment of Lloyd's of London. It began as a cafe where shipowners and merchants gathered to discuss maritime news and dangers before evolving into a marine insurance market (Pearson, 2010). Lloyds pioneered numerous procedures that are still used today, including underwriting, which is the process of assessing risk in exchange for a premium.

At the same time, fire insurance was developed in response to catastrophic occurrences such as the Great Fire of London in 1666. This calamity devastated thousands of houses and businesses, emphasizing the necessity for a system to distribute

fire-related damages (Clarke, 2012). The first fire insurance firm, the Fire Office, was established in 1681.

Insurance expanded to cover new categories of risk as countries altered via industrialization. In the 18th and 19th centuries, life insurance, health insurance, and accident insurance became widely available, particularly in Europe and North America. Benjamin Franklin established the first American insurance business, the Philadelphia Contribution Society for the Insurance of Houses against Loss by Fire, in 1752.
Insurance businesses adapted to cover new risks associated with urbanization, railroads, industry, and new modes of commerce. Government regulation was also introduced during this time period, as governments recognized the industry's importance to economic stability and consumer safety (Vaughan, 1997).

Today, the insurance business is a key component of the global financial system. It addresses everything from automobiles, housing, and health to cyber dangers and climate change. Multinational insurance businesses collaborate with local mutuals and cooperatives. Regulation has also become more complex, balancing solvency requirements with consumer protection and systemic risk management (OECD, 2020).

Technological innovation is currently transforming the sector. Insurtech, or the use of technology to disrupt traditional insurance practices, is changing the way policies are sold, claims are processed, and risk is assessed (PwC, 2017).

The insurance industry has evolved from simple risk pooling among traders to a multitrillion-dollar worldwide enterprise critical to economic stability and personal protection.

2.2 Role of Information Technology in the Insurance Sector

Information technology (IT) has revolutionized the insurance sector, making processes faster, more efficient, and more customer centric. From underwriting to claims processing, IT technologies have expedited procedures that were formerly slow and paper-intensive. IT is no longer merely a support role; it is a critical component of insurance strategy and delivery.

(1) Operational Efficiency

Insurance companies have adopted enterprise software to manage policies, billing, and claims. These systems cut manual work, reduce errors, and improve turnaround times. Automation tools, especially Robotic Process Automation (RPA), handle repetitive tasks like data entry, freeing up human employees for more complex

work (Deloitte, 2022). Cloud computing also plays a role, allowing companies to scale operations and store massive amounts of data securely without the need for expensive infrastructure.

(2) Customer Experience

Consumers expect seamless digital interactions. Online portals, mobile apps, and chatbots powered by Artificial Intelligence (AI) allow customers to buy insurance, file claims, and get support without speaking to an agent. Personalization, powered by data analytics, lets insurers offer tailored products based on customer profiles and behaviors (Accenture, 2021). Companies that invest in better digital experiences often see higher customer satisfaction and loyalty.

(3) Risk Assessment and Underwriting

Traditional underwriting used few data points. Big data analytics, AI, and IoT devices like smart home sensors and wearable health trackers help insurers estimate risk more correctly. This shift allows real-time premium adjustment in dynamic pricing models (PwC, 2023). More data improves risk prediction and consumer pricing.

(4) Claims Management

Claims processing is faster and more transparent thanks to IT. AI can quickly assess damage through image recognition, fraud detection algorithms flag suspicious claims, and blockchain technology ensures tamper-proof recordkeeping (IBM, 2021). All these tools speed up claims payouts while reducing fraud-related losses.

(5) Cybersecurity

As insurers handle sensitive customer data, cybersecurity is critical. A data breach may damage your reputation and finances. To prevent attacks, insurers invest extensively in IT security measures including encryption, multi-factor authentication, and constant monitoring (McKinsey, 2022).

(6) Challenges and the Future

Despite its benefits, IT adoption in insurance comes with challenges. Legacy systems, regulatory compliance, and the cost of new technology are significant barriers. Insurers must also address privacy concerns when using personal data. Looking ahead, advances like AI-powered underwriting, blockchain for smart contracts, and the rise of Insurtech startups will continue to reshape the sector.

In short, IT is not just supporting the insurance business it is redefining it. Companies that embrace technology will gain efficiency, serve customers better, and compete more effectively in a changing marketplace.

2.3 The Concept of Customer Perception in IT-Enabled Services in the Insurance Sector

Customer perception is the way individuals interpret and form opinions about products, services, or brands based on their interactions and experiences. In the insurance sector, where services are often intangible and outcomes uncertain, customer perception becomes a critical factor. With the rise of IT-enabled services, insurers are reshaping how customers perceive their value, reliability, and efficiency.

IT-enabled services in insurance include online policy management, mobile apps, AI-driven customer service, digital claims processing, and personalized communication platforms. These tools offer greater convenience, speed, and transparency, influencing customer expectations and satisfaction levels.

First, **convenience** plays a major role. Customers expect seamless online access to policy information, easy premium payments, and fast claims settlement. A smooth, intuitive user interface directly impacts how trustworthy and competent the insurer appears (Gefen, 2002). Poor digital experiences, on the other hand, can lead to frustration and loss of trust.

Second, **speed and responsiveness** are non-negotiable. Digital claim intakes, automated underwriting, and chatbots for instant support redefine "good service." If insurers deliver services quickly through IT channels, customers perceive them as more efficient and customer-centric (Verhoef et al., 2009).

Third, **personalization** powered by data analytics shifts customer perception toward feeling valued rather than just being a policy number. Tailored offers, reminders, and advice based on individual needs show that the insurer understands and cares about the customer (Parasuraman, Zeithaml, & Malhotra, 2005).

However, technology alone is not enough. Perceptions are also shaped by **security and privacy**. Customers need assurance that their personal and financial data is safe. Frequent breaches in other sectors have made users more cautious; insurance companies must be transparent about data protection practices to maintain positive perceptions (Pavlou, 2003).

Another important aspect is **service recovery**. When mistakes happen, an IT-enabled system should allow fast, empathetic correction. Whether through human follow-up or intelligent escalation protocols, the ability to fix problems smoothly reinforces a positive image even after failures (Holloway & Beatty, 2003).

In the insurance sector, where products are complex and often bought "just in case," building trust through IT-enabled services is not optional; it is foundational. Firms that invest strategically in customer-centric technology are more likely to create positive perceptions that translate into loyalty, referrals, and higher lifetime value.

Ultimately, customer perception in IT-enabled insurance services is driven by a blend of functional quality (how well the technology works) and emotional quality (how the service experience makes customers feel). Companies that master both dimensions will lead the industry as digital transformation continues to evolve.

2.4 Factors Influencing Customer Perception of IT Adoption in the General Insurance Sector

Information Technology (IT) adoption is becoming crucial for insurers to maintain competitiveness and boost operational efficiency as the general insurance Sector in Myanmar undergoes a digital revolution. Because customer perception has a direct impact on how well these technologies are deployed and used, it is a critical component of the success of IT adoption. Insurance firms in Myanmar must comprehend the elements that influence consumer perceptions in order to successfully implement IT solutions, meet customer expectations, and improve service performance. Below are the main factors that influence customer perceptions of IT adoption in Myanmar's insurance sector:

(i) Technology Accessibility and Availability

The accessibility of technology is one of the most important factors affecting customer perception. In Myanmar, while internet penetration has been increasing rapidly, it is still not widespread, especially in rural areas. Access to smartphones, reliable internet, and computers is essential for customers to engage with online insurance services. Studies show that in areas where internet connectivity is poor, customers may perceive digital services as unreliable or unavailable (Kok et al., 2019). For IT adoption to be perceived positively in Myanmar, insurance companies must ensure that their services are accessible even in areas with limited infrastructure.

(ii) Ease of Use and User Experience

Ease of use is another critical factor in customer perception of IT adoption. According to Davis' Technology Acceptance Model (TAM), the simplicity and user-friendliness of a platform are major determinants of technology acceptance (Davis, 1989). In

Myanmar, where many customers may not be tech-savvy, insurance platforms (websites, mobile apps, or claims systems) must be easy to navigate and intuitive. Platforms that reduce complexity and enhance the user experience will foster trust and engagement. If customers find it difficult to use digital tools, their perception of IT adoption may turn negative.

(iii) Perceived Security and Privacy

Security and privacy concerns are significant barriers to IT adoption, especially when dealing with sensitive personal and financial data. In Myanmar, where cybersecurity awareness is still developing, customers may have concerns about the safety of their data. Insurance companies must ensure that their IT solutions are equipped with robust security measures, such as encryption, secure payment systems, and clear data protection policies. Studies indicate that perceived security and privacy strongly influence customer willingness to engage with digital services (Lwin et al., 2020). Building trust in the safety of personal information is essential for encouraging customers to adopt IT solutions.

(iv) Customer Awareness and Education

In Myanmar, customer awareness of the benefits of IT adoption in the insurance sector may be limited. Many consumers are unfamiliar with digital tools such as online policy issuance, digital claims processing, and personalized insurance services. Education campaigns by insurance providers can help raise awareness of the advantages of using IT solutions. By educating customers on how digital tools can improve convenience, speed, and service quality, insurers can positively influence customer perceptions and increase acceptance of digital platforms (Venkatesh & Bala, 2008). Without sufficient education, customers may remain hesitant or resistant to adopting IT services.

(v) Government Policies and Regulations

The role of government policies and regulations is significant in shaping customer perceptions. In Myanmar, the regulatory environment is still evolving, and the government's stance on digital insurance services can influence customer confidence. Clear and supportive regulations that protect customer data, promote digital services, and encourage innovation will likely enhance customer perceptions of IT adoption. Conversely, unclear or restrictive regulations could create doubts about the reliability and safety of digital insurance platforms (Gable et al., 2020). Government-

backed initiatives such as digital literacy programs and cybersecurity campaigns can also help improve customer trust in digital services.

(vi) Cultural and Social Influences

Cultural and social factors also influence customer perceptions of IT adoption in Myanmar. In Southeast Asia, social influence such as recommendations from family, peers, or community leaders can significantly affect customers' decisions to adopt new technologies (Thong, 1999). In Myanmar, where trust and community ties are important, customers are more likely to embrace IT solutions if they see influential figures or social networks in their community endorsing digital insurance services. Therefore, leveraging social influence can be an effective strategy for promoting IT adoption in the country.

(vii) Perceived Benefits and Value

The perceived benefits of adopting IT solutions are crucial for shaping customer perceptions. Customers will adopt digital tools in the insurance sector only if they perceive significant value, such as convenience, time savings, and better service quality. For instance, Myanmar consumers are increasingly looking for digital services that offer faster, more convenient ways to purchase insurance policies, submit claims, and receive real-time updates. If insurance companies can demonstrate how digital solutions provide tangible benefits such as lower premiums, personalized services, or quicker claims processing customers are more likely to perceive IT adoption positively (Venkatesh et al., 2003). In Myanmar, where traditional insurance methods still dominate, customers need to be convinced of the practical benefits that digital solutions bring.

Customer perceptions of IT adoption in Myanmar's insurance sector are influenced by various factors, including technology accessibility, ease of use, security concerns, and cultural influences. To successfully implement IT solutions, insurance companies must address these factors by ensuring that their digital services are accessible, secure, user-friendly, and provide clear benefits to customers. Additionally, efforts to raise customer awareness and promote trust in digital platforms will be essential for driving IT adoption in the Myanmar insurance market.

2.5 Factors that Affect IT Adoption in the Insurance Sector

The adoption of Information Technology (IT) in the insurance sector is influenced by several factors.

1. **Regulatory Environment**: The insurance sector is highly regulated, and regulations can either drive or hinder IT adoption. Laws related to data privacy, digital communication, and cybersecurity often shape the ways in which insurance companies implement and adopt new technologies.
2. **Customer Expectations**: As customers demand more digital and seamless experiences, insurance companies are pushed to adopt IT to meet these expectations. The rise of mobile applications, online claims processing, and personalized insurance offerings requires technological advancements.
3. **Operational Efficiency**: IT adoption can significantly enhance operational efficiency in the insurance sector. Automation of processes, data management, and analytics can help reduce costs, improve decision-making, and streamline customer service.
4. **Cybersecurity Concerns**: Insurance companies deal with sensitive data, making cybersecurity a major concern. The need to protect this data can drive investment in advanced IT infrastructure, such as encryption, secure cloud platforms, and AI-driven security systems.
5. **Technological Advancements**: New technologies such as Artificial Intelligence (AI), machine learning, blockchain, and the Internet of Things (IoT) are transforming the insurance landscape. The potential to leverage these technologies to improve risk assessment, fraud detection, and customer engagement is a significant factor driving IT adoption.
6. **Cost and Resource Availability**: The financial resources and technological capabilities available to an insurance company play a crucial role. Smaller firms may face challenges in adopting new IT due to cost constraints, while larger firms are often more able to invest in cutting-edge technologies.
7. **Competition**: The competitive landscape in the insurance sector encourages the adoption of IT. Companies that are quick to adopt new technologies can gain a competitive edge by offering better customer service, innovative products, and more efficient operations.
8. **Employee Skillset**: The skillset of employees within the insurance company is critical for IT adoption. Companies need to ensure that their workforce is

adequately trained to work with new technologies, which can be a barrier or enabler to successful adoption.

9. **Legacy Systems**: Many insurance companies operate on outdated legacy systems. The complexity and cost of replacing or integrating these systems with modern IT solutions can slow down the adoption process.
10. **Market Trends and Demand for Digital Transformation**: The growing trend of digital transformation in many industries, including insurance, is a major driver for IT adoption. As companies look to keep up with global trends and customer demands for digital services, they are increasingly investing in IT solutions.

2.6 Reviews of Previous Studies

IT adoption in the insurance business, especially in emerging nations, is a key topic. The use of digital technology is changing customer views, improving service, and increasing efficiency. This literature discusses issues affecting insurance customers' IT adoption perspectives.

Krishnamoorthy & Jayakumar (2020) examined customer perception of general insurance. This study shows that service quality, product characteristics, brand reputation, customer trust, and pricing strongly influence general insurance perceptions. The study emphasizes the relevance of consumer behavior and preferences in insurance product design and marketing. The authors recommend insurance businesses improve openness, customer communication, and service responsiveness to boost customer satisfaction and confidence. The study also found that age, wealth, and education affect perception. The research shows that insurance companies must implement customer-centric strategies and innovate to fulfill consumer expectations in a competitive market.

Technology's influence on general insurance organizational consumers' value perception was explored by Nguyen X. N (2023). This study examines how technology affects general insurance professional B2B client value and satisfaction. Data were acquired from 547 randomly chosen Vietnamese insurance purchasers utilizing structured questionnaires and hypothetical-deductive and inductive techniques. Regression research shows that risk coverage, reputation, dependability, and premium positively affect customer impressions, while technology and technical abilities are less important. Technology cannot replace personal ties with service experts, thus organizational customers do not use it to choose insurance providers. Maintaining

human connection is crucial. This has major ramifications for public perception, society, and quality of life.Soft HRM methods like reputation-building and interpersonal communication training can boost service worker performance. The model can inform B2B insurance purchase research in developing markets and help enterprises optimize resource allocation and gain a competitive edge.

Y Skaf, C Eid, A Thrassou, S El Nemar, & K S Rebeiz (2024) examined Technology and service quality increase insurance client happiness and loyalty during crises. This study examines how to boost client loyalty in the competitive insurance industry, especially during crises. It examines insurance client happiness, loyalty, technology, and service quality. Quantitative research used a standardized questionnaire given to a wide set of Lebanon's crisis-stricken insurance clients. Descriptive statistics, correlation analysis, and structural equation modeling were used in SPSS-Amos. Findings show that consumer happiness, especially through user-friendly digital platforms, is crucial for loyalty during tough times. Technology increases enjoyment, highlighting its loyalty-boosting impact. Positive service quality-satisfaction interactions improve this link. Insurers should improve claims processing, customer service, communication, digital efforts, and staff training. This research provides scholarly insights and concrete tactics for insurers seeking crisis client loyalty.

Aung Naing (2024) examined motor insurance in Myanma Insurance: Customers' Perceptions. This SWOT analysis examines Myanma Insurance's automobile insurance services' customer satisfaction and perceptions. According to descriptive analysis and a questionnaire survey of 329 clients, the perspective is favorable with an average satisfaction level. Strong points include wide coverage, efficient claims, and affordable premiums. The prompt customer service and sense of security make customers inclined to suggest the services. The study shows product diversification gaps, suggesting more product diversity is needed. Myanma Insurance should improve price, simplify claims, and train customer service to increase client happiness and loyalty. Strengthening online service platforms may increase customer relations. These changes will assist Myanma Insurance strengthen its market position and increase motor insurance consumer involvement.

Thin Zar Pwint Phyu (2024) analyzed Myanma Insurance's motor insurance SWOT to determine customer satisfaction and perceptions. Using descriptive analysis and a questionnaire survey of 329 Myanma Insurance motor insurance clients, the findings show a good perception with an average satisfaction score. Comprehensive

coverage, efficient claims, and low rates are positive. Customers feel secure, enjoy prompt customer service, and promote the services. However, product deficiencies indicated a need for diversification. Myanma Insurance should offer competitive pricing, streamline the claims procedure, and train customer service to boost customer loyalty. Improved online services can improve interactions. Myanma Insurance can improve its market position and client engagement with vehicle insurance by executing these techniques.

Kaur, P., & Singh, M. (2025) examined how Insurtech adoption in the Indian life insurance sector affects customer satisfaction. Digital technology, automation, and data analytics are transforming sectors like life insurance in the Industrial Revolution (IR) 4.0. Insurtech adoption is changing life insurance and enhancing client happiness, according to this report. PLS-SEM was used to analyze data from 304 northwest Indian life insurance clients. PLS predict and IPMA were used to examine predictive relevance and satisfaction criteria. InsurTech adoption improves customer satisfaction, especially customer service and policy management. IPMA says improving online service distribution and customer support may enhance satisfaction. Future study should explore demographic moderating effects and satisfaction's mediation function in customer loyalty. The report helps marketers and policymakers understand digital insurance service use.

CHAPTER III
OVERVIEW OF THE INSURANCE SECTOR AND IT ADOPTION IN MYANMAR

3.1 Myanmar's General Insurance Sector

Established in 1952 as the State Insurance Corporation, Myanma Insurance was Myanmar's sole insurer for over six decades. In 1963, the government nationalized all insurance operations, consolidating them under the Union Insurance Board. This move effectively ended the presence of foreign insurers in the country. The 1989 State-Owned Economic Enterprises Law further solidified Myanma Insurance's monopoly, making it the exclusive provider of both life and non-life insurance in Myanmar. The insurance landscape began to shift in 2012 when the government issued licenses to 12 private domestic insurers, marking the start of market liberalization. Despite this, Myanma Insurance retained significant control, particularly in compulsory insurance sectors such as motor third-party liability and general liability for enterprises.

In 2014, foreign insurers were permitted to operate within the Thilawa Special Economic Zone, serving Japanese businesses. However, broader access for international insurers remained limited.

Today, Myanma Insurance continues to play a pivotal role in Myanmar's insurance sector, balancing its historical legacy with the evolving dynamics of a gradually liberalizing market.

Myanmar's general insurance sector has experienced significant growth and transformation since the liberalization of the insurance market in 2013. Prior to this, the sector was dominated by the state-owned Myanma Insurance, which held a monopoly over both life and general insurance services. The introduction of reforms allowed for the establishment of private and foreign-owned insurance companies, leading to increased competition and a broader range of insurance products.

The Myanmar general insurance market has 10 insurers as of 2023: 1 state-owned company (Myanma Insurance), 6 local private entities, and 3 local-foreign joint ventures. These firms offer over 20 general insurance products, including vehicles,

property, marine, and liability. Despite this increase, fewer than 10% of the population is insured. The sector has enormous development potential.

As of 2025, Myanmar's insurance business is weak and contributes little to the economy. The ratio of insurance premiums to GDP measures insurance penetration. In 2015, the non-life insurance market penetration was approximately 0.07% of GDP, while life insurance premiums accounted for about 0.01% of GDP. These figures are notably lower compared to neighboring countries like Vietnam and the Philippines, where insurance penetration is significantly higher. Despite this low penetration, the sector holds substantial growth potential. Projections suggest that with continued economic development and market liberalization, Myanmar's insurance market could expand to over US$2 billion in premiums by 2030. Factors such as increasing public awareness, urbanization, and the adoption of digital technologies are expected to drive this growth.

The Myanmar government has initiated reforms to liberalize the insurance market, including allowing private and foreign insurers to operate, which is anticipated to enhance competition and service offerings. However, challenges such as political instability and regulatory hurdles continue to impede the sector's development. In summary, while Myanmar's insurance sector currently contributes a small fraction to the GDP, it presents significant opportunities for growth. With ongoing reforms and favorable economic trends, the sector is poised for expansion in the coming years.

The Myanmar Insurance Law, enacted as State Law and Order Restoration Council Law No. 10/93, was promulgated on July 23, 1993. This legislation established Myanma Insurance as the sole state-owned insurance provider, granting it a monopoly over the country's insurance market. The law delineated the company's authority to offer various insurance services, including life assurance, property insurance, and motor insurance. It also outlined the structure of Myanma Insurance, specifying the formation of a Board of Directors to oversee operations and the mandate for certain groups, such as government employees and motor vehicle owners, to purchase specific types of insurance from the company.

In 2014, Myanmar initiated reforms to liberalize its insurance sector. The Insurance Business Law was enacted to regulate the non-life insurance market, allowing private and foreign insurers to operate alongside Myanma Insurance. The Financial Regulatory Department (FRD), under the Ministry of Planning and Finance, was established on September 1, 2014, to oversee and supervise the insurance sector.

The law ensures transparency in policy terms and protects consumers by defining the rights and obligations of both insurance companies and policyholders. It also provides guidelines for claims and dispute resolution. The law aims to promote sector growth, financial stability, and consumer protection, with ongoing efforts to modernize and expand insurance services, including increased foreign participation.

The general insurance sector, also referred to as general insurance, has undergone significant transformation over the past few decades. This sector encompasses all insurance products that are not life-based, such motor insurance, property insurance, marine and liability coverage. The evolution of this segment has been driven by economic growth, regulatory reforms, technological advancements, and rising awareness among consumers.

Technological adoption in Myanmar's general insurance sector is still in early stages, but digitalization is beginning to take root, especially in urban areas. Some companies have started using mobile apps, online claim systems, and customer service chatbots, although much of the market still relies on traditional face-to-face interactions.

In terms of market demand, motor insurance is currently the most dominant general product due to government regulations requiring third-party liability coverage for all registered vehicles. Other key areas include property insurance, fire insurance (especially for businesses), and health insurance. However, insurance penetration remains low overall, particularly in rural areas, due to lack of awareness, affordability issues, and limited access to financial services.

Natural disasters like floods and cyclones have also highlighted the need for better general insurance coverage in Myanmar, especially in agriculture, property, and business sectors. Going forward, continued reforms, digital innovation, and financial literacy campaigns will be essential in strengthening and expanding the general insurance landscape.

Myanmar's general insurance business is defined by a combination of native firms and international joint ventures, which promotes market expansion and accessibility. Grand Gurdian Tokio Marine , AYA Sompo, and KBZMS are among the leading players, combining local presence with worldwide competence. Local insurers such as A Insurance, First National Insurance, Global World, and Excellent Fortune provide a wide range of products and extensive geographical reach. Young Insurance provides flexible, inexpensive solutions to underdeveloped markets, while Aung

Thitsar Oo delivers innovation and agility. Myanma Insurance, a state-run company, continues to be significant due to its lengthy history and statewide coverage.

The use of Information Technology in Joint Venture Companies has been steadily improving. Therefore, this study focuses on three local companies such as An Insurance, FNI Insurance, and EFI Insurance which have recently advanced their use of Information Technology.

Offering auto, fire, and marine insurance has helped An Insurance grow its market share. The firm has become a reputable local insurer through focused marketing and customer-centric services.

Excellent Fortune Insurance (EFI) Insurance has focused on innovation and digital transformation, enhancing its product offerings with user-friendly platforms and efficient claims processing. By investing in technology and training, EFI has attracted a growing customer base seeking fast and reliable coverage, especially in urban areas.

First National Insurance (FNI), known for its comprehensive product offerings and strong regulatory backing, has steadily expanded its market share by addressing the needs of both urban and regional clients. The company's broad insurance portfolio and extensive branch network have fueled its growth, particularly among SMEs and underserved communities across Myanmar.

Together, these companies have contributed to the overall expansion of Myanmar's general insurance market. Their efforts in improving accessibility, product diversity, and customer service have helped build consumer trust and drive insurance penetration in both urban and rural areas.

Figure (3.1) Number of Insurance Companies General Insurance in Myanmar

No	Name of insurance companies	Type of insurance companies
1	Ayeyar Myanmar Insurance + Sompo Japan Nipponkoa Insurance	Joint Venture
2	Grand Gurdian General Insurance + Tokio Marine & Nichido Fire Insurance	Joint Venture
3	IKBZ General Insurance+Mitsui Sumitimo Insurance	Joint Venture
4	Aung Thitsar Oo General Insurance	Local Company
5	Excellent Fortune General Insurance	Local Company
6	First National General Insuarnce	Local Company
7	Global World General Insurance	Local Company
8	A Insurance	Local Company
9	Young General Insurance	Local Company
10	Myanma Insurance (General)	State Owned Enterprise

Source: Myanmar Insurance Association

3.2 Digital Transformation in Myanmar's Insurance Sector

Tech advances, internet penetration, and regulatory measures to modernize the insurance sector in Myanmar have led to major digital transformation. Digital transformation is reshaping how insurance companies operate, enhancing efficiency, improving customer experience, and expanding market reach. This shift is particularly important in Myanmar, where traditional insurance penetration has been relatively low, and digital solutions offer a means to bridge the gap in accessibility and awareness.

(i) Adoption of Digital Platforms

One of the most notable changes in Myanmar's insurance sector is the adoption of digital platforms for policy issuance, claims processing, and customer engagement. Insurers have introduced online portals and mobile applications that allow customers to purchase policies, file claims, and receive support remotely. This digital shift reduces the reliance on paper-based transactions, minimizes administrative burdens, and speeds up service delivery. Companies such as A Insurance, EFI Insurance, and FNI Insurance have implemented digital solutions to enhance their operations and customer interactions.

E-insurance platforms are also becoming more common, enabling customers to compare products, access policy information, and manage renewals through their smartphones. This accessibility is crucial in Myanmar, where mobile penetration is high, and digital banking services are gaining popularity.

(ii) InsurTech and Innovation

The emergence of InsurTech (insurance technology) in Myanmar has further accelerated digital transformation. Startups and established insurers are leveraging artificial intelligence (AI), big data analytics, and blockchain technology to enhance decision-making, streamline claims processing, and prevent fraud. AI-driven chatbots and virtual assistants are being deployed to provide instant customer support, reducing the need for physical interactions and call center operations.

Blockchain technology is also being explored to improve transparency and security in transactions. By utilizing decentralized digital ledgers, insurers can prevent fraudulent claims and ensure accurate record-keeping, fostering trust in the sector.

(iii) Mobile Payments and Digital Transactions

The integration of mobile payment systems with insurance services is another significant development in Myanmar's digital transformation journey. Digital payment platforms such as KBZ Pay, Wave Money, and OK Dollar are enabling seamless premium payments, making insurance more accessible to a broader audience. Customers can now pay for their policies electronically without needing to visit a physical office, which is especially beneficial in rural areas where traditional banking infrastructure is limited.

The availability of digital payment options is also encouraging microinsurance growth. Microinsurance products, which offer coverage at lower premiums, are becoming more viable as mobile-based transactions simplify premium collection and claim disbursement. This expansion is particularly important in Myanmar, where affordability has been a barrier to insurance adoption.

(iv) Regulatory Support and Challenges

The Myanmar government and regulatory bodies have recognized the importance of digital transformation in the insurance sector and have taken steps to support its implementation. The Insurance Business Regulatory Board (IBRB) has introduced policies that encourage digital insurance solutions, including guidelines for online policy issuance and electronic transactions. Efforts are also being made to

standardize digital insurance practices and ensure data protection and cybersecurity compliance.

Despite these advancements, challenges remain. Limited digital literacy among certain demographics, cybersecurity concerns, and infrastructure constraints pose obstacles to widespread adoption. Additionally, some insurers still rely on traditional processes, slowing the overall sector transition to digital solutions.

(v) Future Prospects

Digital transformation will continue to play a crucial role in the growth and modernization of Myanmar's insurance sector. As technology adoption increases and regulatory frameworks evolve, insurers are expected to invest further in digital solutions, improving efficiency and customer experience. The expansion of digital insurance products, enhanced cybersecurity measures, and continued integration of AI and blockchain technology will shape the future landscape of Myanmar's insurance sector.

By embracing digital transformation, the sector can enhance accessibility, foster innovation, and ultimately contribute to higher insurance penetration across the country, ensuring greater financial security for individuals and businesses alike.

3.3 Key Trends in IT Adoption in Myanmar's Insurance Sector

Myanmar's insurance sector is undertaking a technology transition to improve efficiency, client engagement, and regulatory compliance. Several IT adoption trends are shaping the sector as it evolves. These trends are influenced by digital innovations, economic shifts, and evolving consumer expectations.

1. Digital Platforms for Customer Engagement

Myanmar's insurance sector is using digital platforms to improve client service. Insurance companies are investing in mobile apps and web portals to make policy issuance, premium payments, and claims processing easier for policyholders. Chatbots and AI-driven customer support solutions have increased response times and service quality, helping insurers strengthen client connections.

2. Data Analytics and AI-Driven Decision-Making

Insurance businesses need data analytics to better identify risks and tailor their offers. Big data and AI algorithms help insurers detect fraud, expedite underwriting, and create personalized insurance solutions. As Myanmar insurers use data-driven

strategies, they gain a competitive edge by enhancing operational efficiency and client happiness.

3. **Blockchain for Transparency and Security**

Blockchain technology may improve insurance transparency and security. By leveraging decentralized ledgers, insurers can ensure the integrity of transactions, reduce fraudulent activities, and streamline policy management. While still in its early stages in Myanmar, blockchain adoption is expected to grow as regulatory frameworks evolve and insurers seek more secure and efficient ways to manage policies and claims.

4. **Cloud Computing for Scalability and Cost Efficiency**

Many insurers in Myanmar are shifting to cloud-based solutions to optimize their IT infrastructure. Cloud computing enables insurance companies to scale their operations more efficiently, reduce costs, and improve data accessibility. This transition is particularly beneficial for smaller insurers seeking to modernize their services without heavy investments in physical infrastructure. Cloud technology also facilitates remote work and digital collaboration, which has become increasingly important in the post-pandemic era.

5. **Automation in Claims Processing and Underwriting**

Automation is transforming traditional insurance operations by reducing manual workloads and enhancing accuracy. Automated underwriting systems analyze applicant data in real-time, minimizing processing time and improving risk assessment. Similarly, automated claims processing speeds up payouts, enhancing customer satisfaction. Myanmar's insurance sector is gradually embracing robotic process automation (RPA) to streamline these critical functions and reduce operational inefficiencies.

6. **Cybersecurity Enhancements**

With the growing reliance on digital technologies, cybersecurity has become a top priority for insurers in Myanmar. The sector is investing in advanced security measures, such as multi-factor authentication, encryption, and threat detection systems, to protect sensitive customer data. As cyber threats continue to evolve, insurers are expected to allocate more resources to cybersecurity initiatives to ensure regulatory compliance and build customer trust.

7. **Insurtech Partnerships and Innovations**

The rise of insurtech startups is reshaping the insurance landscape in Myanmar. Traditional insurers are increasingly collaborating with technology firms to develop

innovative solutions that enhance efficiency and accessibility. These alliances enable innovative business models like usage-based insurance and peer-to-peer insurance to meet customer requirements.

Myanmar's insurance business is adopting IT faster due to digital transformation, efficiency, and customer experience. The sector is changing due to digital interaction, AI-driven decision-making, blockchain usage, and cybersecurity advances. Insurers that embrace innovation will be better prepared to handle market problems and seize opportunities as technology advances.

3.4 Opportunities and Challenges of IT Adoption from a Customer Perspective for Digital Advancement in Myanmar's Insurance Sector

The implementation of IT in Myanmar's insurance business brings both potential and problems, especially for customers. Mobile platforms, data analytics, AI, and blockchain are driving digital transformation, which will change how insurance services are delivered and experienced. However, for customers in Myanmar, these opportunities come with their own set of challenges.

1. Opportunities of IT Adoption for Customers

(a) Enhanced Accessibility and Convenience

The Myanmar insurance business benefits from IT adoption by making goods and services more accessible. Mobile apps and web portals let clients access a variety of services at their convenience. Customers can now purchase insurance policies, make premium payments, file claims, and track their policies from their smartphones or computers without the need for in-person visits to insurance offices. This convenience is particularly beneficial for Myanmar’s urban population and those living in remote areas, where access to physical insurance offices may be limited. The digital shift empowers consumers to interact with insurers in a more flexible and user-friendly manner, fostering increased customer engagement and satisfaction (MOPF, 2023).

(b) Faster Claims Processing

The integration of digital tools like artificial intelligence (AI) and automation in claims processing can significantly enhance the customer experience. AI-driven systems help expedite claims assessments by analyzing data in real time, reducing delays and administrative burden. This means customers can expect faster responses and quicker settlements for their claims, which leads to improved customer satisfaction and trust in insurers. With these technological advancements, Myanmar's insurance

companies can streamline the often complex and time-consuming claims process, offering customers a more transparent and efficient service. This quicker claims settlement is expected to foster greater customer loyalty as it minimizes the frustration typically associated with delayed payouts (Bhamra, 2020).

(c) Personalized Products and Services

As the Myanmar insurance market adopts more data-driven technologies, insurers are better equipped to offer tailored products that meet the specific needs of individual customers. Through the use of data analytics, insurers can analyze customer behavior, preferences, and risk profiles to develop customized policies. This enables insurers to offer more competitive pricing, relevant coverage, and improved services that resonate with customers. Personalized products not only increase customer satisfaction but also help insurers capture a wider customer base by providing more value through bespoke offerings. Additionally, personalized communication, made possible by customer data, can enhance customer engagement, ensuring that customers feel more connected to their insurer (Taylor, 2021).

(d) Improved Customer Support and Communication

The rise of chatbots and AI-driven customer support tools plays a crucial role in improving communication between customers and insurance companies. These tools enable customers to quickly receive assistance, ask questions, and resolve issues at any time of the day. By offering 24/7 support through digital channels, insurers in Myanmar can significantly enhance the customer experience, providing real-time responses to inquiries. This shift towards automated customer service not only improves operational efficiency but also increases customer satisfaction by reducing the waiting time for assistance. It also empowers customers by giving them control over when and how they access support, leading to an overall improvement in customer service (Global Data UK Ltd, 2024).

2. Challenges of IT Adoption for Customers

(a) Digital Literacy and Access

While digital platforms offer significant benefits, digital literacy remains a challenge for many customers in Myanmar, particularly in rural areas. Despite the growth of mobile phone penetration, many people still lack the skills or confidence to navigate complex digital platforms effectively. This digital divide could lead to disparities in access to insurance services, with more tech-savvy customers benefiting

from enhanced convenience and personalized services, while others may struggle to engage with these platforms. To address this issue, insurers must invest in educational campaigns and customer support to help people become more comfortable with using digital tools and platforms (Ross Taylor, 2021).

(b) Security and Privacy Concerns

As digital adoption increases, so do concerns around cybersecurity and the protection of personal data. Customers may be hesitant to fully embrace digital insurance services if they fear their sensitive data, such as health or financial information, could be compromised. Insurers in Myanmar must prioritize implementing robust security measures, such as encryption, multi-factor authentication, and compliance with data protection regulations, to mitigate these concerns. Without these assurances, customers may feel uncomfortable sharing their information online, potentially limiting the effectiveness of digital transformation efforts (Bhamra, 2020).

(c) Technological Barriers and Infrastructure Issues

Myanmar's digital infrastructure is still evolving, and internet connectivity issues persist, particularly in rural or remote areas. While urban centers enjoy better internet access, rural customers may find it difficult to engage with online insurance platforms due to poor network infrastructure. This digital gap could limit the reach of IT adoption in the insurance sector, as it may prevent a significant portion of the population from fully benefiting from digital advancements. Insurers must work to address these infrastructure challenges by partnering with telecommunications companies to improve internet access in underserved regions (MOPF, 2023).

(d) Trust in Digital Platforms

For many customers in Myanmar, trust in digital platforms may be a significant barrier. While younger generations are more likely to embrace digital insurance solutions, older generations may remain skeptical about the security and reliability of online services. Ensuring customer trust requires insurers to be transparent about how digital platforms operate, the data they collect, and how it is used. Effective communication and customer education efforts will be crucial to overcome this challenge and build confidence in digital platforms (Global Data UK Ltd, 2024).

The adoption of IT in Myanmar’s insurance sector holds immense promise for improving accessibility, customer engagement, and the efficiency of insurance services. However, it also presents challenges, particularly in terms of digital literacy, cybersecurity, and infrastructure limitations. To fully realize the benefits of digital

transformation, insurers must address these challenges head-on by providing customer education, ensuring robust security measures, and working to bridge the digital divide. By doing so, Myanmar's insurance sector can create a more inclusive, efficient, and customer-centric environment that will drive future growth and innovation.

3.5 Types of General Insurance Products Offered by Three Local Insurance Companies in Myanmar

Myanmar's general insurance sector has grown steadily, with local insurers offering a variety of policies to cover various risks. These products safeguard individuals and organizations from accidents, property damage, and legal penalties. A, EFI, and FNI insurance, three significant local insurance firms, provide the following general insurance products.

A Insurance sells Motor, Fire, marine cargo, and inland transit insurance. These products cover vehicle, property, and transportation hazards.

First National Insurance (FNI) offers more general insurance products. They offer Motor Vehicle Insurance, Fire & Allied Perils Insurance, Cash in Safe, Cash in Transit, Fidelity, Inland Marine Cargo, Overseas Marine Cargo, Marine Hull, Travel, Personal Accident, and Parcel Insurance. These products safeguard individuals and organizations from several threats.

Excellence Fortune Insurance (EFI) offers a full range of general insurance products. Motor Vehicle Insurance, Fire and Allied Perils Insurance, Marine Cargo, Marine Hull, Cash in Safe, Cash in Transit, Fidelity, Inland Transit, and Overseas Marine Cargo Insurance are available. EFI tailors' insurance solutions to customer needs.

Figure (3.2) illustrates each company's general insurance offerings. All three businesses offer Motor, fire, marine cargo, and inland transit insurance. In contrast, First National Insurance (FNI) and Excellent Fortune Insurance (EFI) provide additional products, including Marine Hull Insurance, Cash in Safe Insurance, Cash in Transit Insurance, and more.

Figure (3.2) Insurance Products Offered by Three Local Myanmar Companies

Insurance Type	A Insurance	First National Insurance (FNI)	Excellent Fortune Insurance (EFI)
Motor Vehicle Insurance	✔	✔	✔
Fire Insurance	✔	✔	✔
Marine Cargo Insurance	✔	✔	✔
Inland Transit Insurance	✔	✔	✔
Marine Hull Insurance		✔	✔
Cash in Safe Insurance		✔	✔
Cash in Transit Insurance		✔	✔
Fidelity Insurance		✔	✔
Personal Accident Insurance		✔	
Health Insurance		✔	
Critical Illness Insurance		✔	
Micro Health Insurance		✔	
Travel Insurance		✔	
Parcel Insurance		✔	

Source: Companies Website

CHAPTER IV
SURVEY ANALYSIS

4.1 Survey Profile

This chapter presents the results obtained from analyzing data collected from total respondents (365). Focus excludes life insurance and other specialized products. The general information of the respondents, the descriptive statistics and reliability of the variables are presented in the first part of this chapter. And then regression analysis is presented as the second part.

Table (4.1) Number of Respondents from Each Insurance Company

Insurance Company	Number of Respondents
A Insurance	120
Excellent Fortune Insurance (EFI)	122
First National Insurance (FNI)	123

Source: Survey Data (2025)

These Tables (4.1) give a sense of how respondents are distributed across the three companies, indicating that the sample is relatively balanced with only a small difference in the number of respondents from each company. This distribution is important for understanding how the respondents' experiences and opinions might be shaped by their respective insurance providers, and it sets the stage for deeper analysis of the data in later sections.

4.2 Survey Design

This research seeks to understand customer IT adoption perceptions. Simple random sampling selects responders. Online structured surveys are gathered. Textbooks, research articles, magazines, and websites provide secondary data. The study analyzes data using descriptive statistics and multiple regression. The January 2025–April 2025 data collection included 4200 clients.

The formula used to determine the sample size is:

$$n = \frac{N}{1 + N(e^2)}$$

Where:

- n = the sample size,
- N = the population size (4,200),
- e = the acceptable sampling error (assumed to be 5% at a 95% confidence level).

Applying the values into the equation:

$$n = \frac{4200}{1 + 4200(0.05^2)} = 364.35 \approx 365$$

This computation provides 365 samples, to the closest whole number. The survey questionnaire measured respondents' attitudes on a five-point Likert scale: Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4, Strongly Agree = 5.

The study goals' linkages and impacts were examined using dependent and independent variables in the survey. Three primary sections comprised the questionnaire. Part (A) covered demographic information, gathering data on gender, age, marital status, education level, occupation, monthly income, location, insurance company you are associated with, how often do you use the internet, Preferred Device for Accessing Online Services, Usage of Online Platforms Provided by Your Insurance Company, Comfort Level with Using Technology for Insurance Services. Part (B) Technology Accessibility and Availability, Ease of Use and User Experience, Perceived Security and Privacy, Customer Awareness and Education, Government Policies and Regulations, Cultural and Social Influences and Perceived Benefits and Value. Part (C) focused on Regulatory Environment, Customer Expectations, Operational Efficiency, Cybersecurity Concerns, Technological Advancements, Cost and Resource Availability, Competition, Employee Skillset, Legacy Systems and Market Trends and Demand for Digital Transformation using Likert scale statements. The structured questionnaire ensured data collection, which included every relevant factor affecting IT adoption and customer perception.

4.3 Survey Results

The general information of total respondents (365) was collected during the administration of the structured questionnaire to help the interpreting of the data. The general information of the respondents includes gender, age, marital status, education

level, occupation, monthly income, location, associated insurance company, frequency of using internet, type of device using internet, online platform usage and comfort level in using technology.

Table (4.2) Demographic Profile of Respondents

Sr. No.	Particular	No. of Respondents	Percentage (%)
1.	**Gender**		
	Male	189	51.78
	Female	176	48.22
2.	Age (Years)		
	Under 20 years	56	15.34
	21–30 years	65	17.81
	31–40 years	77	21.1
	41–50 years	89	24.39
	51 years and above	78	21.37
3.	Marital Status		
	Single	113	30.96
	Married	189	51.78
	Divorced/Widowed	63	17.26
4.	**Education**		
	No formal education	23	6.30
	Primary school	26	7.12
	Secondary school	38	10.41
	Diploma/Certificate	93	25.48
	Bachelor’s degree	152	41.64
	Postgraduate degree (Master's/PhD)	33	9.04
5.	**Occupation**		
	Student	38	10.41
	Private Sector Employee	42	11.51
	Government Employee	45	12.33
	Self-employed/Entrepreneur	74	20.27
	Retired	67	18.36
	Unemployed	54	14.80
	Other: _ Company Staff	45	12.33
6.	**Monthly Income Level (Kyats)**		
	Less than 200,000 MMK	13	3.56
	200,001–400,000 MMK	35	9.59
	400,001–600,000 MMK	59	16.16
	600,001–800,000 MMK		
	Above 800,000 MMK	126	34.52
		132	36.16
7.	Location		
	Urban area	156	42.74
	Suburban area	122	33.43
	Rural area	87	23.84
8.	Associated insurance company		

	[Local Company A Insurance]	120	32.88
	[Local Company EFI]	122	33.43
	[Local Company FNI Insurance]	123	33.70
9.	Frequency of using internet		
	Daily	189	51.78
	Several times a week	81	22.19
	Several times a month	65	17.81
	Rarely	30	8.22
	Never	-	-
10.	Type of device using internet		
	Smartphone	198	54.25
	Laptop/Computer	103	28.22
	Tablet	64	17.53
	Other: _____	-	-
11.	Online platform usage		
	Yes	304	83.29
	No	61	16.71
12.	Ccomfort level in using technology		
	Very uncomfortable	34	9.32
	Uncomfortable	32	8.77
	Neutral	15	4.11
	Comfortable	151	41.37
	Very comfortable	133	36.44
	Total	365	100.0

Source: Survey Data (2025)

A total of 365 respondents participated in the survey in Table (4.2), with a fairly balanced gender distribution slightly more males (51.78%) than females (48.22%). The age distribution showed that most respondents were between 31 and 50 years old, indicating that the study captured opinions from the working-age population. Specifically, 24.38% were between 41–50 years, followed by 21.10% aged 31–40 years and 21.37% aged 51 years and above. Younger respondents, particularly those under 30, were less represented.

Regarding marital status, over half of the respondents (51.78%) were married, while singles made up 30.96% and 17.26% were divorced or widowed. Educational attainment varied, with a significant number (41.64%) holding a bachelor's degree and 25.48% having a diploma or certificate. Only a small portion had no formal education (6.03%), indicating a generally educated sample.

Occupationally, the respondents came from diverse backgrounds. The largest group were self-employed or entrepreneurs (20.27%), followed by retired individuals (18.36%), and unemployed persons (14.80%). Government and private sector

employees each made up about 12.33% and 11.51% respectively, while students and company staff also formed notable portions of the sample.

In terms of income, the majority earned above 600,000 MMK per month, with 36.16% earning over 800,000 MMK and 34.52% earning between 600,001 and 800,000 MMK. Fewer respondents fell into the lower income brackets.

Most respondents lived in urban areas (42.74%), with suburban (33.43%) and rural areas (23.84%) also represented, ensuring geographic diversity. The participants were nearly evenly distributed among three local insurance companies, suggesting no single provider dominated the sample.

Internet usage was high, with more than half (51.78%) accessing it daily and 83.29% reporting they use online platforms. Smartphones were the most common device used to access the internet (54.25%), followed by laptops/computers and tablets. Finally, the comfort level with technology was generally high, as 41.37% felt comfortable and 36.44% felt very comfortable using digital tools, while only a small fraction felt uncomfortable or neutral.

4.3.1 Customer Perception on IT Adoption

(1) Technology Advancement

Six items assessed technology advancement perception. Table (4.3) shows item and overall mean values.

Table (4.3) Respondent Perception on Technology Advancement

Sr. No.	Description	Mean	Standard Deviation
1	I have regular access to the internet when I need it.	3.79	.95
2	The devices I use (e.g., computer, smartphone, tablet) are reliable and functional.	3.73	.88
3	I can easily access the software or applications required for my tasks.	3.69	.93
4	My internet connection is fast enough for my work/study needs.	3.51	.89
5	I can access technology resources both at home and outside (e.g., public places, workplaces, campuses).	3.59	.98
6	The cost of technology (devices, internet, software) is affordable for me.	3.71	.74
	Overall Mean	3.74	

Source: Survey Data (June,2025)

According to Table (4.3), the findings on respondent perception of technology advancement indicate a generally favorable view, with an overall mean score of 3.74. Most respondents appear to have reliable access to the internet, functional devices, and the necessary software or applications for their tasks. However, there are slight concerns related to the speed of internet connections, as reflected by the lowest mean score (3.51), suggesting that while access is widespread, performance may still be an issue for some users. Overall, the data suggests that technology infrastructure and accessibility are largely in place, but improvements particularly in internet speed and possibly broader affordability could further enhance user experience.

(2) Ease of Use and User Experience

Five measures assessed respondent perception of ease of use and user experience. Table (4.4) shows item and overall mean values.

Table (4.4) Respondent Perception on Ease of Use and User Experience

Sr. No.	Description	Mean	Standard Deviation
1	I find the system easy to use.	3.56	.85
2	The design of the system is user-friendly.	3.53	.93
3	I can navigate through the system without confusion.	3.50	.93
4	I feel comfortable using the system.	3.64	.88
5	The system responds quickly to my inputs.	3.32	.97
	Overall Mean	3.51	

Source: Survey Data (June,2025)

According to Table (4.4), the overall mean score for respondent perception on ease of use and user experience is 3.51, indicating a moderately positive but somewhat cautious evaluation. Among the five items, the highest mean score was for the statement *"*I feel comfortable using the system*"* with a mean of 3.64, suggesting that most users generally feel at ease when interacting with the system. The lowest mean score was recorded for *"*The system responds quickly to my inputs*"* at 3.32, highlighting a potential concern with system responsiveness and performance. While most users find the system relatively easy to use and user-friendly, the slightly lower scores in areas such as navigation and response time suggest that there is room for improvement in enhancing the overall user experience.

(3) Perceived Security and Privacy

Respondent Perception on Perceived Security and Privacy was measured with five items. The mean value for each item and overall mean value are presented in Table (4.5).

Table (4.5) Respondent Perception on Perceived Security and Privacy

Sr. No.	Description	Mean	Standard Deviation
1	I feel that my personal data is secure when using the system.	3.58	.86
2	The system provides sufficient privacy measures.	3.56	.93
3	I trust the system to protect my sensitive information.	3.52	.92
4	I believe my data is handled securely by the system.	3.65	.87
5	I am confident in the system's ability to prevent unauthorized access.	3.35	.98
	Overall Mean	3.53	

Source: Survey Data (June,2025)

According to Table (4.5), the overall mean score for respondent perception on perceived security and privacy is 3.53, indicating a moderately positive level of trust in the system's ability to safeguard user data. The highest mean score was for the statement "I believe my data is handled securely by the system", which received a mean of 3.65, suggesting that respondents generally feel confident in how their data is managed. Conversely, the lowest mean score was observed for "I am confident in the system's ability to prevent unauthorized access" at 3.35, pointing to some concerns regarding the system's defense against potential breaches. Overall, while users tend to trust the system's data handling and privacy measures, there remains a need to strengthen perceptions of active protection against unauthorized access.

(4) Customer Awareness and Education

Respondent Perception on Customer Awareness and Education was measured with five items. The mean value for each item and overall mean value are presented in Table (4.6).

Table (4.6) Respondent Perception on Customer Awareness and Education

Sr. No.	Description	Mean	Standard Deviation
1	I am aware of how to properly use the system.	3.63	.89
2	The system provides adequate instructions for users.	3.68	.87
3	I feel well-informed about the features and functionalities of the system.	3.72	.84
4	I am confident that I understand the risks and benefits of using the system.	3.84	.85
5	The system provides sufficient resources to educate users on best practices.	3.53	.85
	Overall Mean	3.68	

Source: Survey Data (June,2025)

Table (4.6) shows that responder perception of customer awareness and education is 3.68, suggesting a strong and good perception. The statement "I am confident that I understand the risks and benefits of using the system" had the highest mean score of 3.84, indicating that respondents feel well-educated and capable of making informed system usage decisions. The lowest mean score was for *"*The system provides sufficient resources to educate users on best practices*"* at 3.53, indicating that while users feel knowledgeable, there may be a slight gap in the availability or accessibility of formal educational resources. Overall, the results suggest that users have a good level of awareness and understanding, though there is room to enhance educational support provided by the system.

(5) Government Policies and Regulations

Five measures assessed respondent perception of government policies and regulations. Table (4.7) shows items and overall mean values. Table 4.7 shows that respondents give government policies and regulations a 3.66 mean score, indicating a good view of regulatory compliance and government control. The highest mean score was recorded for the statement "Government regulations play a key role in ensuring the security of the system", with a mean of 3.81, indicating strong agreement that regulatory frameworks are seen as important for maintaining system security. The lowest mean score was observed for "I trust that the system follows all necessary legal requirements" at 3.50, suggesting that while most respondents believe in regulatory compliance, a portion still holds some reservations regarding full legal adherence. Overall, the data implies that government policies are considered significant and largely

effective, though further efforts to build user trust in complete legal compliance may be beneficial.

Table (4.7) Respondent Perception on Government Policies and Regulations

Sr. No.	Description	Mean	Standard Deviation
1	I believe the system complies with relevant government regulations.	3.63	.92
2	Government policies influence my decision to use the system.	3.68	.85
3	I feel confident that the system adheres to data protection laws.	3.65	.81
4	Government regulations play a key role in ensuring the security of the system.	3.81	.86
5	I trust that the system follows all necessary legal requirements.	3.50	.83
	Overall Mean	3.66	

Source: Survey Data (June,2025)

(6) Cultural and Social Influences

Respondent Perception on Cultural and Social Influences was measured with five items. The mean value for each item and overall mean value are presented in Table (4.8).

Table (4.8) Respondent Perception on Cultural and Social Influences

Sr. No.	Description	Mean	Standard Deviation
1	Cultural norms affect my use of the system.	3.64	.90
2	Social influences impact my decision to use the system.	3.66	.91
3	I feel that the system is culturally appropriate for my region.	3.41	.95
4	The system aligns with my social values and beliefs.	3.50	.98
5	Cultural factors influence my perception of the system's value.	4.02	.13
	Overall Mean	3.64	

Source: Survey Data (June,2025)

According to Table (4.8), the overall mean score for respondent perception on cultural and social influences is 3.64, indicating a generally positive perception of how cultural and social factors interact with system usage. The highest mean score was for the statement *"*Cultural factors influence my perception of the system's value*"* with a mean of 4.02, suggesting that cultural context plays a significant role in shaping users'

evaluation of the system's worth. The lowest mean score was recorded for "I feel that the system is culturally appropriate for my region*"* at 3.41, indicating some reservations about how well the system fits specific regional cultural contexts. Overall, the findings suggest that cultural and social dimensions significantly influence user engagement, though improvements in cultural adaptability may enhance broader acceptance and usability.

(7) Perceived Benefits and Value

Respondent Perception on Perceived Benefits and Value was measured with five items. The mean value for each item and overall mean value are presented in Table (4.9).

Table (4.9) Respondent Perception on Perceived Benefits and Value

Sr. No.	Description	Mean	Standard Deviation
1	I believe the system provides good value for money.	3.71	.96
2	I perceive the system's benefits to outweigh any drawbacks.	3.64	.90
3	The system improves my daily life in a meaningful way.	3.67	.90
4	I feel that the benefits of using the system justify any time or effort spent.	3.41	.95
5	I believe using the system enhances my productivity.	3.50	.99
	Overall Mean	3.59	

Source: Survey Data (June,2025)

According to Table (4.9), the overall mean score for respondent perception on perceived benefits and value is 3.59, indicating a generally positive but slightly moderate evaluation of the system's overall value and impact. The highest mean score was recorded for the statement *"*I believe the system provides good value for money*"* at 3.71, suggesting that respondents generally feel the system offers a worthwhile return on investment. In contrast, the lowest mean score was observed for *"*I feel that the benefits of using the system justify any time or effort spent*"*, which had a mean of 3.41. This suggests that while the system is appreciated for its value and benefits, some users may still question whether the effort required to use it is fully justified. Overall, the results indicate that the system is seen as beneficial and valuable, though there is room to enhance user convenience and perceived efficiency.

(8) Respondent Perception on IT Adoption

Table (4.10) describes the summary of respondent perception on IT Adoption was measured with seven factors.

Table (4.10) Summary of Respondent Perception of IT Adoption

Sr. No.	Perception Factors	Overall Mean	Standard Deviation
1	Technology Accessibility and Availability	3.74	.61
2	Ease of Use and User Experience	3.51	.66
3	Perceived Security and Privacy	3.53	.67
4	Customer Awareness and Education	3.68	.67
5	Government Policies and Regulations	3.66	.68
6	Cultural and Social Influences	3.64	.57
7	Perceived Benefits and Value	3.59	.68
	Overall Average Mean	3.62	

Source: Survey Data (June,2025)

According to the result from Table (4.10), respondents demonstrated an overall positive perception toward IT adoption in logistics activities, as reflected by consistently above-average mean scores across all factors as 3.62. The highest-rated factor was Technology Accessibility and Availability with an overall mean of 3.74, indicating that respondents generally have good access to reliable devices, internet, and necessary technological resources. This suggests a strong foundational infrastructure supporting IT adoption.

On the other hand, the lowest-rated factor was Ease of Use and User Experience, with a mean of 3.51, highlighting potential areas for improvement in system design, navigation, and responsiveness. While all factors scored above 3.5, suggesting general satisfaction, areas like Perceived Benefits and Value (3.59) and Security and Privacy (3.53) also show room for enhancement, especially in terms of reinforcing trust and maximizing system utility.

Overall, the data suggest that while the environment for IT adoption in logistics is favorable, efforts should continue to optimize usability, strengthen perceived value, and ensure user trust for sustained and effective technology integration.

4.3.2 Analysis on Customer Perception of IT Adoption

(1) Mean Value of Respondent Perception on IT Adoption

Table (4.11) describes the Mean Value of Respondent Perception of IT Adoption was measured with ten factors.

Table (4.11) Mean Value of Respondent Perception of IT Adoption

Sr. No.	Perception Factors	Overall Mean	Standard Deviation
1	Regulatory Environment	3.56	.66
2	Customer Expectations	3.63	.58
3	Operational Efficiency	3.76	.57
4	Cybersecurity Concerns	3.76	.57
5	Technological Advancements	3.55	.65
6	Cost and Resource Availability	3.60	.59
7	Competition	3.53	.59
8	Employee Skillset	3.60	.57
9	Legacy Systems	3.66	.67
10	Market Trends and Demand for Digital Transformation	3.55	.72
	Overall Average Mean	3.62	

Source: Survey Data (June,2025)

According to the result from Table (4.11)**,** the overall average mean value of 3.62 indicates a generally favorable economic perception of IT adoption among respondents. From an economic standpoint, the highest-rated factors Operational Efficiency and Cybersecurity Concerns (both with a mean of 3.76) highlight the belief that IT adoption can lead to cost savings, process optimization, and risk reduction, all of which are economically beneficial for the bank.

Legacy Systems (mean = 3.66) reflect the economic burden of maintaining outdated technology, suggesting that upgrading to modern systems is seen as a necessary investment to improve performance and reduce long-term costs. Similarly, Customer Expectations (3.63) and Employee Skillset (3.61) imply that meeting market

demands and developing internal capabilities are critical for sustaining competitiveness and achieving financial returns on digital investments.

Factors with slightly lower mean scores, such as Competition (3.53), Technological Advancements (3.55), and Market Trends and Demand for Digital Transformation (3.55), still carry economic relevance, but may be viewed as more strategic and long-term in nature, rather than immediate cost-saving drivers.

(2) Reliability Analysis of the Variables

Alpha values are used to assess variable reliability before correlation and multiple regression analysis. Cronbach's alpha of 0.7 or above was acceptable. Each variable's components pass the reliability test (Cronbach, 1951) and point to one meaningful dimension. Table (4.12) shows variable reliability analysis results.

Table (4.12) Reliability Analysis of the Variables

Sr. No.	Variable	No. of items	Cronbach's Alpha
1	Regulatory Environment	4	0.73
2	Customer Expectations	4	0.64
3	Operational Efficiency	4	0.68
4	Cybersecurity Concerns	4	0.70
5	Technological Advancements	4	0.72
6	Cost and Resource Availability	4	0.68
7	Competition	4	0.68
8	Employee Skillset	4	0.65
9	Legacy Systems	4	0.82
10	Market Trends and Demand for Digital Transformation	4	0.72
11	IT Adoption		0.67

Source: Survey Data (June,2025)

Table (4.12) showed the Alpha values of all variables are between 0.6 and 0.9 and thus all variables have the acceptable reliability level. It indicates that the survey instrument used for assessing various factors related to IT adoption is statistically sound and suitable for further analysis.

4.3.3 Multiple Regression Analysis on Customer Perception of IT Adoption

Multiple regression analysis was used to examine independent-dependent connections.

Table (4.13) Multiple Regression Analysis on customer perception of IT Adoption

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.109	.118		-.926	.355
Regulatory Environment	-.286***	.054	-.325	-5.291	.000
Customer Expectations	.109***	.019	.108	5.742	.000
Operational Efficiency	.246***	.062	.239	3.973	.000
Cybersecurity Concerns	-.383***	.055	-.379	-6.998	.000
Technological Advancements	.300***	.054	.336	5.555	.000
Cost and Resource Availability	.047	.019	.048	2.521	.012
Competition	.011	.017	.012	.692	.490
Employee Skillset	.769***	.026	.758	29.714	.000
Legacy Systems	.002	.017	.003	.149	.881
Market Trends and Demand for Digital Transformation	.224***	.029	.277	7.715	.000
R^2					.904
Adjusted R^2					.901

Source: Survey Data (June,2025)

Dependent Variable: IT Adoption

The multiple regression analysis in Table (4.13) uses a broad economic lens to examine the important elements impacting insurance customer perception of IT adoption. With a R^2 score of 0.904 and an adjusted R^2 of 0.901, the model effectively explains 90% of IT adoption variance through its independent variables. This powerful and dependable model suggests that these criteria are key determinants of consumer perception of digital transformation.

From an economic standpoint, several variables show statistically significant impacts ($p < 0.05$) on IT adoption. Employee Skillset emerges as the most influential predictor ($\beta = 0.758$, $p < 0.001$), highlighting the vital role of human capital in digital transitions. This aligns with the broader economic theory that investment in workforce capabilities particularly in the digital economy enhances productivity and innovation, thereby boosting customer confidence and adoption rates.

Cybersecurity Concerns have a significant negative effect ($\beta = -0.379$, $p < 0.001$), indicating that perceived risks associated with data breaches or technological vulnerabilities can substantially deter IT adoption. This finding underscores the importance of establishing strong digital infrastructure and regulatory safeguards in reducing systemic risk and increasing consumer trust key elements in modern digital economies.

Similarly, a negative relationship is observed with the Regulatory Environment ($\beta = -0.325$, $p < 0.001$), suggesting that overly stringent or unclear regulatory frameworks may act as barriers to digital innovation. From an economic development perspective, this highlights the need for adaptive regulatory policies that strike a balance between oversight and innovation.

In contrast, factors such as Technological Advancements ($\beta = 0.336$) and Operational Efficiency ($\beta = 0.239$) have positive and significant effects, indicating that advancements in technology and improvements in business operations not only enhance cost-effectiveness but also increase customer confidence in IT systems. This reflects classical economic principles where technological progress acts as a catalyst for efficiency gains and market expansion.

Customer Expectations also play a notable role ($\beta = 0.108$, $p < 0.001$), implying that rising digital literacy and consumer demand for seamless digital experiences are pushing firms to adopt IT solutions. Likewise, Market Trends and Demand for Digital Transformation ($\beta = 0.277$) further emphasize how evolving macroeconomic conditions and competitive pressures shape corporate digital strategies.

While Cost and Resource Availability has a modest but significant impact ($\beta = 0.048$, $p = 0.012$), it suggests that budget constraints are not the most critical limiting factor in IT adoption, possibly due to falling technology costs or availability of digital infrastructure. Interestingly, Competition and Legacy Systems are found to be statistically insignificant, suggesting that in this context, technological inertia and

external competitive forces are less influential than internal organizational capabilities and consumer perceptions.

This model supports the idea that digital transformation in the insurance sector is primarily driven by internal capabilities (human capital, operational readiness) and consumer demand, rather than traditional cost-based or competitive market pressures. It also points to the importance of reducing institutional frictions such as regulatory barriers and cybersecurity risks to facilitate broader IT adoption.

CHAPTER V
CONCLUSION

Many businesses in Myanmar are investing in information technology (IT) to improve client experiences and streamline operations as the insurance sector undergoes a major digital transition. Digital systems for policy management, claims processing, and customer support are being progressively adopted by insurance companies in Myanmar, allowing for quicker and more effective services. Several are also investigating how data analytics and artificial intelligence (AI) might be used to evaluate risks, customize policies, and enhance decision-making. Customers can now purchase policies, track claims, and receive information on their insurance coverage through mobile applications, which are growing more and more popular for service access. Despite these developments, the insurance sector in Myanmar continues to confront challenges like the shortage of internet access in rural regions and the demand for qualified IT specialists. However, the general trend is toward a more technologically advanced insurance market that promises customers better accessibility and ease.

5.1 Findings

This findings provides analysis of customer perceptions and the multifaceted factors influencing the adoption of information technology (IT) in the insurance sector in Myanmar. Drawing from diverse demographic data and user feedback, the findings explore key areas such as technological readiness, user experience, system trust, regulatory and cultural influences, and the role of employee skillsets. It also examines the challenges, drivers, and future outlook of digital transformation in the sector, offering valuable insights into how insurance providers can enhance IT adoption and meet evolving customer expectations.

In the broader context of Myanmar's developing economy, the digitalization of insurance services represents both an opportunity for accelerated economic growth and a challenge to existing institutional and infrastructural systems. As financial and insurance services constitute critical components of a modern financial ecosystem, their digital transformation is intrinsically linked to increased economic efficiency, improved

risk management, and enhanced financial inclusion. The moderate yet growing optimism among users about the future of digital insurance suggests that with appropriate economic incentives and regulatory support, digital platforms can reduce the transaction costs traditionally associated with insurance processes such as policy management, claims processing, and customer communication thereby improving productivity within the sector. The integration of digital insurance services into the broader economy also holds potential for creating new employment opportunities in IT, customer service, cybersecurity, and digital marketing, further contributing to human capital development and labor market diversification.

The successful IT adoption in the insurance sector can foster capital accumulation by encouraging long-term savings and investment behavior through more accessible and user-friendly insurance products. It can also support the stability of the financial system by enabling more accurate risk assessment and more responsive services. However, the concerns expressed by respondents particularly regarding customer support, digital literacy gaps, and limited trust in data security highlight the need for parallel investments in soft infrastructure, such as workforce training, digital literacy programs, and consumer protection mechanisms. These are essential to ensure that technological adoption does not exacerbate existing socioeconomic inequalities. For instance, individuals in rural areas or from lower-income backgrounds may be less equipped to benefit from digital platforms without targeted support and subsidies, potentially deepening the digital divide.

Furthermore, the study's findings reinforce the significance of institutional quality and policy coherence in digital transformation. While respondents generally viewed government regulations as supportive of IT development, slight concerns about legal compliance and enforcement mechanisms suggest that more transparent and consistent regulatory frameworks are needed to build trust among both consumers and service providers. In economic terms, well-designed digital governance systems reduce information asymmetries and foster competitive, innovative markets. The relatively insignificant influence of legacy systems on IT adoption indicates a unique opportunity for leapfrogging where developing economies like Myanmar can bypass outdated technological stages and adopt more advanced, cost-effective solutions directly. However, this will require robust collaboration between public institutions, private

insurers, and technology providers to create scalable and contextually appropriate digital ecosystems.

The role of cultural and social factors, while often overlooked in economic analysis, has proven essential in shaping user engagement with digital insurance platforms. Systems that fail to align with local customs, languages, or expectations may face resistance regardless of their technical efficiency. Therefore, inclusive design and culturally sensitive approaches are not only socially important but economically strategic, as they ensure broader market reach and higher customer retention. The successful digital transformation of Myanmar's insurance sector if managed effectively can act as a catalyst for broader digital economic development, fostering financial resilience, economic diversification, and sustainable growth in the long term.

5.2 Suggestions

The rapid digital transformation in the insurance sector highlights the growing importance of effective IT adoption strategies, especially in developing markets like Myanmar. Understanding the demographic profile, technological readiness, and user perceptions of customers is crucial for designing systems that are accessible, secure, and user-friendly. This analysis offers strategic recommendations to improve IT adoption by addressing usability, trust, regulatory concerns, and the broader socio-economic context of insurance users.

The digital transformation of the insurance sector in Myanmar presents a critical opportunity to enhance efficiency, reduce operational costs, and expand market reach. By leveraging IT systems, insurance companies can streamline workflows, reduce reliance on physical infrastructure, and increase transaction speed, resulting in cost savings and improved profitability. The demographic data suggests that a significant portion of the population already uses mobile internet, which lowers customer acquisition and service delivery costs by shifting interactions to cost-effective digital platforms.

Investing in mobile-friendly, user-centric platforms not only meets the digital habits of consumers but also supports economic scalability by enabling insurers to serve a broader customer base with fewer resources. Offering tiered products and flexible payment options allows companies to tap into underinsured low- and middle-income segments, contributing to market growth and financial inclusion. Furthermore,

improved digital engagement can increase customer lifetime value through enhanced retention and upselling opportunities.

From the supply side, improving internet infrastructure and affordability boosts overall economic productivity, as faster, more reliable access enables smoother operation of digital services. Enhancements in system usability and efficiency also translate into reduced customer service costs and fewer manual interventions, driving down long-term operational expenditures. Investments in employee training and technological advancement not only raise internal productivity but also create spillover benefits in the broader labor market by elevating workforce digital skills.

Addressing cybersecurity and regulatory concerns is essential for sustaining consumer trust, which directly affects adoption rates and revenue generation. Economically, robust legal compliance reduces the risk of fines, litigation, or reputational damage, which could impose significant financial burdens. On the demand side, increasing user confidence through transparency and improved digital literacy enhances engagement, leading to greater usage of digital channels and reduced churn.

Moreover, aligning digital platforms with cultural and regional preferences improves acceptance and penetration across socio-economic groups, particularly in rural areas, thereby enabling inclusive economic participation. This not only supports equitable access to financial services but also contributes to the resilience and sustainability of the insurance sector in a rapidly digitalizing economy.

A well-executed IT adoption strategy in the insurance sector can generate broad economic benefits enhancing firm-level profitability, reducing inefficiencies, expanding consumer access, and supporting overall economic development. Strategic investments in technology, skills, and trust-building mechanisms are essential to unlocking these economic gains and ensuring a sustainable digital future for Myanmar's insurance sector.

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APPENDIX - I

QUESTIONNAIRES

PART (A)

Section 1: Socio-economic and Demographic Questionnaire

(For Customers of [Local Company A Insurance], [Local Company EFI], [Local Company FNI Insurance])

Section A: Demographic Information

1. Gender:
   ☐ Male
   ☐ Female
   ☐ Prefer not to say
2. Age:
   ☐ Under 20 years
   ☐ 21–30 years
   ☐ 31–40 years
   ☐ 41–50 years
   ☐ 51 years and above
3. Marital Status:
   ☐ Single
   ☐ Married
   ☐ Divorced/Widowed
4. Education Level:
   ☐ No formal education
   ☐ Primary school
   ☐ Secondary school
   ☐ Diploma/Certificate
   ☐ Bachelor’s degree
   ☐ Postgraduate degree (Master's/PhD)
5. Occupation:
   ☐ Student
   ☐ Private Sector Employee
   ☐ Government Employee
   ☐ Self-employed/Entrepreneur
   ☐ Retired
   ☐ Unemployed
   ☐ Other: _____
6. Monthly Income (in Myanmar Kyats - MMK):
   ☐ Less than 200,000 MMK
   ☐ 200,001–400,000 MMK
   ☐ 400,001–600,000 MMK
   ☐ 600,001–800,000 MMK
   ☐ Above 800,000 MMK

7. Location:
   ☐ Urban area

☐ Suburban area
☐ Rural area

8. Insurance Company You Are Associated With:
   ☐ [Local Company A Insurance]
   ☐ [Local Company EFI]
   ☐ [Local Company FNI Insurance]
9. How often do you use the internet?
   ☐ Daily
   ☐ Several times a week
   ☐ Several times a month
   ☐ Rarely
   ☐ Never
10. What device do you most often use to access online services?
    ☐ Smartphone
    ☐ Laptop/Computer
    ☐ Tablet
    ☐ Other: _____
11. Have you used online platforms (website, app) provided by your insurance company?
    ☐ Yes
    ☐ No
12. How would you rate your comfort level in using technology (e.g., apps, online portals) for insurance services?
    ☐ Very uncomfortable
    ☐ Uncomfortable
    ☐ Neutral
    ☐ Comfortable
    ☐ Very comfortable

PART (B)

Factors that Affect Customer Perception of IT Adoption in the Insurance Sector

What is your level of agreement or disagreement with the following statements? Please provide your opinion on a scale ranging from (1) Strongly disagree to (5) Strongly agree. Please √ the column to enter your answer.

1. Technology Accessibility and Availability		1	2	3	4	5
1	I have regular access to the internet when I need it.					
2	The devices I use (e.g., computer, smartphone, tablet) are reliable and functional.					
3	I can easily access the software or applications required for my tasks.					
4	My internet connection is fast enough for my work/study needs.					

5	I can access technology resources both at home and outside (e.g., public places, workplaces, campuses).					
6	The cost of technology (devices, internet, software) is affordable for me.					

2**. Ease of Use and User Experience**		1	2	3	4	5
1	I find the system easy to use.					
2	The design of the system is user-friendly.					
3	I can navigate through the system without confusion.					
4	I feel comfortable using the system.					
5	The system responds quickly to my inputs.					

3. Perceived Security and Privacy		1	2	3	4	5
1	I feel that my personal data is secure when using the system.					
2	The system provides sufficient privacy measures.					
3	I trust the system to protect my sensitive information.					
4	I believe my data is handled securely by the system.					
5	I am confident in the system's ability to prevent unauthorized access.					

4. Customer Awareness and Education		1	2	3	4	5
1	I am aware of how to properly use the system.					
2	The system provides adequate instructions for users.					
3	I feel well-informed about the features and functionalities of the system.					
4	I am confident that I understand the risks and benefits of using the system.					
5	The system provides sufficient resources to educate users on best practices.					

5. Government Policies and Regulations		1	2	3	4	5
1	I believe the system complies with relevant government regulations.					
2	Government policies influence my decision to use the system.					
3	I feel confident that the system adheres to data protection laws.					

4	Government regulations play a key role in ensuring the security of the system.					
5	I trust that the system follows all necessary legal requirements.					

6. Cultural and Social Influences		1	2	3	4	5
1	Cultural norms affect my use of the system.					
2	Social influences impact my decision to use the system.					
3	I feel that the system is culturally appropriate for my region.					
4	The system aligns with my social values and beliefs.					
5	Cultural factors influence my perception of the system's value.					

7. Perceived Benefits and Value		1	2	3	4	5
1	I believe the system provides good value for money.					
2	I perceive the system's benefits to outweigh any drawbacks.					
3	The system improves my daily life in a meaningful way.					
4	I feel that the benefits of using the system justify any time or effort spent.					
5	I believe using the system enhances my productivity.					

PART (C)

Factors that Affect IT Adoption in the Insurance Sector

What is your level of agreement or disagreement with the following statements? Please provide your opinion on a scale ranging from (1) Strongly disagree to (5) Strongly agree. Please √ the column to enter your answer.

1. Regulatory Environment		1	2	3	4	5
1	The current regulatory environment is conducive to digital transformation in our industry.					
2	Regulations related to digital transformation are clear and well-defined.					
3	Regulatory compliance is a significant barrier to implementing digital transformation initiatives.					
4	The government is supportive of businesses pursuing digital transformation through favorable policies.					

2. Customer Expectations		1	2	3	4	5
1	Our customers expect businesses to adopt the latest technological solutions.					
2	Customer demand for digital services has significantly increased in recent years.					
3	Customers are willing to pay more for improved digital experiences.					
4	Meeting customer expectations in digital services is a priority for our organization.					

3. Operational Efficiency		1	2	3	4	5
1	Digital transformation initiatives improve operational efficiency within our organization.					
2	Our organization has streamlined processes through digital solutions.					
3	There is a noticeable reduction in costs due to automation and digital transformation.					
4	Operational efficiency is a key driver for adopting digital transformation in our company.					

4. Cybersecurity Concerns		1	2	3	4	5
1	Cybersecurity risks are a major concern in the digital transformation process.					
2	Our organization has robust cybersecurity measures in place to protect digital infrastructure.					
3	Security breaches are a significant barrier to adopting new digital technologies.					
4	We regularly assess cybersecurity risks related to digital transformation initiatives.					

5. Technological Advancements		1	2	3	4	5
1	The rapid pace of technological advancements is a challenge for our organization.					
2	Our organization is able to keep up with emerging technologies relevant to our industry.					
3	Technological advancements are essential for staying competitive in the market.					
4	We actively invest in new technologies to stay ahead in our industry.					

6. Cost and Resource Availability		1	2	3	4	5
1	The cost of adopting new technologies is a significant challenge for our organization.					
2	Our organization has sufficient resources to implement digital transformation initiatives.					
3	We have adequate budget allocation for technology upgrades and digital transformation projects.					
4	Resource constraints are hindering the speed of digital transformation in our organization.					

7. Competition		1	2	3	4	5
1	The competitive landscape is pushing our organization to adopt digital transformation quickly.					
2	Competitors in our industry have already adopted digital technologies at a faster pace.					
3	Digital transformation is necessary for maintaining our market position against competitors.					
4	Our organization feels the pressure to innovate digitally due to competitive forces.					

8. Employee Skillset		1	2	3	4	5
1	Our employees have the necessary skills to support digital transformation efforts.					
2	There is a skill gap within our workforce that hinders the implementation of new technologies.					
3	Employee training and development programs are aligned with digital transformation goals.					
4	We need to hire more employees with digital expertise to succeed in our digital transformation.					

9. Legacy Systems		1	2	3	4	5
1	Legacy systems are a major obstacle to the adoption of new technologies in our organization.					
2	Upgrading or replacing legacy systems is necessary for successful digital transformation.					
3	Our organization is heavily reliant on legacy systems that impede innovation.					
4	We face significant challenges in integrating new digital solutions with existing legacy systems.					

10. Market Trends and Demand for Digital Transformation		1	2	3	4	5
1	Market trends indicate that digital transformation is essential for long-term success.					

2	Demand for digital transformation in our market is increasing rapidly.					
3	Industry leaders are investing heavily in digital transformation to stay relevant.					
4	The pace of market demand for digital transformation is influencing our strategic decisions.					

Suggestion

Challenges of IT Adoption in Insurance		1	2	3	4	5
1	I find it difficult to use digital tools or platforms provided by insurance companies.					
2	I believe that the internet infrastructure in Myanmar affects my ability to use digital insurance services.					
3	I am concerned about the reliability of technology when dealing with insurance claims.					
4	I feel that the digital platforms provided by insurance companies are not user-friendly.					
5	I am hesitant to fully adopt digital insurance services due to security concerns.					
Customer Support and Engagement		1	2	3	4	5
1	Insurance companies in Myanmar provide adequate support for customers using digital platforms.					
2	I feel that customer service representatives are well-trained to assist with digital services.					
3	I am satisfied with the online support options provided by my insurance company.					
4	I believe that the availability of mobile apps and websites has improved my overall experience with my insurance provider.					
5	I would recommend digital insurance services to others in my community.					
Future Outlook on IT in Insurance		1	2	3	4	5
1	I believe that IT adoption will continue to improve the insurance industry in Myanmar.					
2	I am optimistic about the future of digital insurance services in Myanmar.					
3	I feel that there is a growing trend of technology adoption among my peers for insurance needs.					
4	I expect more insurance companies in Myanmar to adopt digital platforms in the near future.					
5	I would prefer to handle most of my insurance transactions online in the future.					

***** Thank You *****