

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF APPLIED ECONOMICS
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**A STUDY ON THE DEVELOPMENT OF INSURANCE
INDUSTRY IN MYANMAR**

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MPA – 38 (22nd BATCH)**

JUNE, 2025

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

A thesis submitted as a partial fulfilment of the requirements for the Degree of
Master of Public Administration

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This is to certify that the thesis entitled “A STUDY ON THE DEVELOPMENT OF INSURANCE INDUSTRY IN MYANMAR” submitted as the requirement for the Degree of Master of Public Administration has been accepted by the Board of Examiners.

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ABSTRACT

The importance of the insurance industry's development in Myanmar lies in its role in fostering financial security, economic stability, and risk management for individuals and businesses. This study aims to evaluate the growth and transformation of Myanmar's insurance sector over the past two decades, focusing on both life and non-life segments. Utilizing secondary data analysis from 2004 to 2024, the research employs descriptive analysis and correlation regression analysis to uncover trends and relationships between key economic indicators and insurance sector metrics. The main findings reveal a profound shift from a household-dominated, non-life insurance market to a more balanced and diversified industry, with life insurance participation and institutional involvement rising significantly in recent years; strong positive correlations were identified between GDP growth and both life and non-life insurance deposits, while non-life insurance depositor numbers were less tied to macroeconomic expansion. Based on these results, it is recommended that continued regulatory reforms, public awareness campaigns, financial literacy initiatives, and innovative product development are crucial to ensuring the sustained growth, inclusivity, and resilience of Myanmar's insurance industry.

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LIST OF ABBREVIATIONS

MIC	Myanmar Insurance Corporation
IBRB	Insurance Business Regulatory Board
GDP	Gross Domestic Product
IAIS	International Association of Insurance Supervisors
ESG	Environmental, Social, and Governance
NGOs	Non-Governmental Organizations
IBSB	Insurance Business Supervisory Board
GDP	Gross Domestic Product
USD	United States Dollar
MMK	Myanmar Kyat
IBRB	Insurance Business Regulatory Board
MOPF	Ministry of Planning and Finance
JV	Joint Venture
OECD	Organisation for Economic Co-operation and Development
ASEAN	Association of Southeast Asian Nations
GGI	Grand Guardian Insurance
EFI	Excellent Fortune Insurance
SMEs	Small and Medium-sized Enterprises

CHAPTER I

INTRODUCTION

Insurance plays a fundamental role in enhancing financial security by protecting against unforeseen risks for individuals, businesses, and institutions (Patsuriya, 2010). In today's rapidly changing world, where economic volatility, natural disasters, and health emergencies can disrupt lives and livelihoods at any moment, insurance stands as a crucial safety net. It enables households to rebuild after losses, allows entrepreneurs to take calculated risks, and helps communities recover from large-scale disruptions, fostering an environment where investment and innovation can flourish (Masci, 2012). Through the pooling of resources and systematic risk sharing, the insurance sector is not just a financial mechanism but a social stabilizer that contributes to resilience, poverty reduction, and inclusive growth. The theoretical foundations and practical significance of insurance have been widely explored, with many scholars emphasizing its indispensable role in development policies and entrepreneurial activities (Patsuriya, 2010; Masci, 2012; Brau, Merrill, & Staking, 2011). Thus, understanding the factors that drive or hinder the development of insurance in emerging economies like Myanmar is essential for achieving sustainable progress and reducing vulnerability across society.

1.1 Rationale of the Study

Globally, insurance markets are considered vital pillars supporting economic stability and development (Bazilinska & Panchenko, 2021). In robust insurance systems, financial shocks are absorbed more effectively, domestic savings are mobilized efficiently, and long-term investments are encouraged, providing a buffer against macroeconomic instability. Countries such as Thailand, Vietnam, and Malaysia have demonstrated how a combination of strong regulatory frameworks, public education, and technological innovation can elevate insurance penetration, expand financial inclusion, and catalyze broader economic growth (Koprivica, 2018). The integration of insurance with modern banking, the rise of Insurtech, and the creation of innovative microinsurance products have not only broadened access but also made insurance more relevant to the needs of diverse populations. These global trends illustrate the transformative potential of a vibrant insurance sector and serve as compelling benchmarks for Myanmar as it seeks to modernize and strengthen its own insurance landscape.

In stark contrast, Myanmar's insurance industry remains in its infancy, lagging far behind regional neighbors in both depth and breadth. Insurance penetration rates are extremely low, and the range of products available is limited, resulting in a large proportion of the population remaining financially unprotected against major risks. Barriers such as limited public awareness, deep-seated mistrust in financial institutions, and cultural reluctance to engage with insurance have stalled sector development (Brau, Merrill & Staking, 2011). The lack of effective distribution channels, scant use of digital technologies, and persistent structural weaknesses further constrain the sector's outreach and effectiveness. These challenges are particularly acute outside urban centers, where information gaps and cultural norms can be especially pronounced. Addressing these obstacles is critical, not only for the insurance industry's growth but also for Myanmar's broader aspirations to build a resilient and inclusive financial system that supports national development.

Yangon, as Myanmar's largest and most economically dynamic city, occupies a central role in the evolution of the country's insurance industry. With its diverse population, concentration of businesses, and status as a gateway for international investment and innovation, Yangon provides fertile ground for the expansion and acceptance of insurance services. Investigating the perceptions, experiences, and adoption patterns within this urban context can reveal significant insights into the drivers and barriers shaping insurance uptake nationwide. Moreover, developments and innovations piloted in Yangon often set trends that ripple outward to other regions. Understanding Yangon's insurance market, therefore, is not just of local interest but is fundamental to crafting strategies that can be scaled nationally, making the city an ideal focal point for this study.

Despite the growing recognition of insurance's importance, research on Myanmar's insurance industry has primarily addressed supply-side issues such as regulatory reform, market entry, and institutional performance. There is a clear gap in the literature concerning the historical evolution of the sector and the social, behavioral, and community-level factors influencing insurance adoption. This study responds directly to this gap by providing a comprehensive historical analysis and by paying particular attention to the lived experiences and perceptions of individuals and businesses regarding insurance in Myanmar, with a focus on Yangon. By adopting this dual perspective, the research aims to offer a more holistic understanding of both macro-level trends and micro-level realities that have shaped the sector's development.

The rationale for this study is rooted in the unique opportunity and urgent need to leverage insurance as a driver of financial security, economic stability, and social resilience in Myanmar (Patsuriya, 2010; Masci, 2012). In an era marked by increasing risks, from climate change to pandemics, insurance can serve as a vital instrument for risk management, resource mobilization, and recovery. However, these benefits will only be fully realized if the sector can overcome the entrenched barriers to adoption and evolve to meet the needs of a changing society. By tracing the sector’s historical trajectory, analyzing key policy shifts, and interrogating community-level experiences, this study seeks to provide actionable insights for policymakers, insurers, investors, and researchers striving to unlock the full potential of Myanmar’s insurance industry.

Historically, Myanmar’s insurance industry has been shaped by decades of state control and limited competition, with the state-owned Myanmar Insurance Corporation (MIC) holding a monopoly until reforms commenced in the 2010s. The restrictive regulatory environment under the Myanmar Insurance Law of 1993 stifled innovation, kept private and foreign insurers at bay, and led to a narrow product range with limited public outreach. This legacy left the vast majority of the population uninsured and unaware of insurance’s benefits, both for personal stability and for wider economic security. The gradual liberalization that began around 2012, including the introduction of private insurers and the establishment of the Insurance Business Regulatory Board (IBRB), marked a turning point—ushering in competition, product development, and greater transparency. Nevertheless, progress has been uneven, with urban-rural divides, socio-economic disparities, and lingering institutional weaknesses. This thesis, therefore, seeks to critically examine this trajectory, drawing lessons from the successes and ongoing challenges that have defined the sector’s evolution.

This study aims to fill significant knowledge gaps and serve as a foundation for future policy and market development. By analyzing the interplay between regulatory changes, market forces, and societal attitudes, particularly within the critical context of Yangon, this research aspires to deliver practical recommendations and strategic insights. Such an approach is essential for fostering a more inclusive, innovative, and resilient insurance sector capable of supporting Myanmar’s broader goals of sustainable development and economic modernization.

1.2 Objectives of the Study

The main objectives of the study is to study the development of insurance industry in Myanmar.

1.3 Method of Study

This study employs a descriptive, quantitative research method to explore development of Insurance industry in Myanmar. Historical data is used to analyze the development of Insurance industry in Myanmar from 2004 to 2024.

1.4 Scope and Limitations of the Study

This study primarily focuses on the development of Myanmar's insurance industry from 2004 to 2024, examining both life and non-life insurance segments. The analysis encompasses key indicators such as the number of depositors, outstanding deposits, premium volumes relative to GDP, and the correlation between insurance growth and macroeconomic factors like GDP and GDP per capita. The study draws on secondary data sourced from government reports, insurance corporations, and published statistics, and employs descriptive analysis as well as correlation and regression techniques to uncover prevailing trends and relationships. Special attention is given to the roles of households and institutional depositors, the impact of regulatory reforms, and the broader economic context influencing sectoral growth.

Furthermore, the research period ends in 2024, and thus, the findings may not reflect the most current market developments or the long-term impact of recently implemented policies. Despite these limitations, the study offers a comprehensive overview of the insurance industry's trajectory in Myanmar and provides a valuable foundation for future research and policy formulation.

1.5 Organization of the Study

This thesis is structured to provide a clear and logical exploration of the development of the insurance industry in Myanmar. It begins with Chapter 1, which introduces the research background, objectives, rationale, while outlining the methodology and the overall significance of the study. Chapter 2 presents a literature review, examining on insurance sector development, relevant theoretical frameworks, and empirical studies that establish a conceptual foundation for the analysis. Chapter 3 offers an overview of the development of the insurance industry in Myanmar, detailing its historical evolution, key policy reforms, market structure, and the challenges faced

by both public and private sector participants. Chapter 4 delivers a survey analysis based on quantitative data, focusing on trends in the number of insurance depositors, outstanding deposits, insurance premium volumes to GDP, and the correlations between sector growth and macroeconomic indicators, supported by tables and statistical evidence. Finally, Chapter 5 concludes the thesis by synthesizing the main findings, assessing their implications, and providing practical suggestions for policymakers and industry stakeholders.

CHAPTER II

LITERATURE REVIEW

This chapter provides a comprehensive review of the literature relevant to the development of the insurance industry, establishing the academic and practical context for this study. This chapter synthesizes historical accounts, theoretical frameworks, and empirical studies that have shaped current understanding of insurance systems worldwide. It examines the chronological evolution of insurance, key drivers and barriers to industry growth, variations in insurance models across regions, and the impact of regulatory, economic, and technological changes. By critically analyzing previous research and identifying knowledge gaps, this literature review offers a solid foundation for exploring the dynamics, challenges, and opportunities inherent in the contemporary insurance sector.

2.1 Evolution of the Insurance Industry

Definition of Insurance

Insurance is a financial arrangement in which an individual or entity pays a premium to an insurer in exchange for protection against potential future losses. According to the International Association of Insurance Supervisors (IAIS, 2019), insurance serves as a mechanism for pooling risk, ensuring that the financial burden of a loss is distributed among many. This principle of risk-sharing is fundamental to the concept of insurance, as it allows individuals and businesses to mitigate uncertainties and plan for future contingencies.

The concept of insurance is rooted in risk management, which involves identifying, assessing, and prioritizing risks to minimize their impact. Insurance provides a structured way to transfer risk from an individual or organization to an insurer, who assumes the financial responsibility in case of a specified loss or event (Rejda & McNamara, 2021). By offering financial security and stability, insurance plays a vital role in both personal and business contexts, enabling long-term planning and investment.

1700–1800: Foundations and Early Growth

The early 18th century marked a pivotal foundation for the insurance industry, particularly within Europe. Commercial activity and maritime trade flourished during this period, creating new risks that spurred the emergence of innovative risk-sharing

mechanisms. Lloyd's of London, established in the late 1600s but formalized in the early 1700s, became a renowned hub for marine insurance, setting standards for underwriting and claims practices. The growth of urban centers led to increased demand for fire insurance, leading to the establishment of the first fire insurance offices in London and other European capitals. Life insurance, though nascent, began to take form towards the latter half of the 18th century, catering initially to specific groups such as clergy and military officers. This era also saw the gradual codification of insurance law and the spread of insurance concepts to North America, where local societies and mutual aid organizations offered rudimentary protection against loss. The interplay between trade, urbanization, and institutional innovation laid the groundwork for the subsequent expansion and sophistication of the insurance sector (Pearson, 1997).

1800–1850: Institutional Expansion

The first half of the 19th century witnessed significant growth and diversification within the insurance industry. Industrialization accelerated economic activities, heightening the need for insurance products to protect businesses and individuals against an expanding array of risks. In the United Kingdom and across Western Europe, new insurance companies proliferated, often specializing in life, accident, or property insurance. The United States followed suit, with many states developing their own insurance markets, sometimes spurred by catastrophic events such as fires and epidemics. In this period, mutual and stock insurance companies solidified their organizational structures, with many adopting actuarial science and statistical analysis to improve premium calculations and risk assessments. Regulatory oversight began to emerge, though often at a local or provincial level, as governments recognized the importance of protecting policyholders and ensuring the solvency of insurers. The spread of insurance practices was facilitated by advancements in communication and transportation, which enabled companies to operate across wider geographic areas and to share knowledge and expertise internationally (Pearson, 2015).

1850–1900: Globalization and Regulatory Frameworks

As the 19th century progressed, the insurance industry entered a phase of globalization, driven by the expansion of European empires and international trade networks. Major British, French, and German insurance companies established branches and agencies in colonial territories, introducing Western insurance models to Asia, Africa, and Latin America. In India, the Oriental Life Insurance Company was founded in 1818, followed by the establishment of several other insurers throughout the

subcontinent. China, too, saw the entry of foreign insurers, primarily serving expatriate communities and trading companies. With growing market complexity and the occurrence of insurance frauds and failures, the late 1800s saw the introduction of more comprehensive regulatory frameworks. Countries such as Germany pioneered the development of national insurance laws, while the United States gradually moved towards state-based regulation. The standardization of insurance contracts and a focus on consumer protection began to define industry best practices. This period also saw the emergence of reinsurance as a vital means of risk management, enabling insurers to pool risks globally and stabilize their balance sheets in the face of catastrophic events (Pearson, 1997; Pearson, 2015).

1900–1945: Consolidation and Response to Crises

The early decades of the 20th century were characterized by rapid consolidation within the insurance industry and a series of significant societal and economic challenges. The outbreak of World War I, the Great Depression, and later World War II, tested the resilience of insurers worldwide. Many companies merged or were acquired to maintain solvency, while others diversified their product offerings to include health, accident, and pension insurance in response to changing customer needs. During this era, Asian markets such as Japan began to develop robust domestic insurance industries, with local companies emerging and adapting Western practices to suit local conditions. In India, the Life Insurance Companies Act of 1912 marked the beginning of formal regulatory oversight. Insurers also played a critical role in social welfare initiatives, contributing to the development of social security and public pension systems in several countries. The industry's ability to adapt to geopolitical disruptions and economic crises underscored its central role in financial stability and risk mitigation (Pearson, 2015; Nayak & Mishra, 2014).

1945–1970: Post-War Expansion and Regional Growth

The post-World War II period ushered in unprecedented growth for the global insurance industry, fueled by economic recovery, rising incomes, and greater public awareness of risk management. In Western Europe and North America, the insurance penetration rate soared, with life, health, and general insurance products becoming mainstream financial services. In Asia, the Japanese insurance industry expanded rapidly, supported by a robust post-war economic boom and government initiatives to increase household savings through life insurance. South Korea and Taiwan also developed dynamic insurance sectors during the 1950s and 1960s. In India, the

nationalization of life insurance in 1956 led to the creation of the Life Insurance Corporation of India, consolidating numerous private insurers and promoting insurance as a tool for economic development. This era also saw the birth of multinational insurance corporations, which began to enter emerging markets and introduce global best practices, further integrating the industry worldwide (Nayak & Mishra, 2014).

1970–2000: Liberalization and Technological Advancements

From the 1970s through the end of the 20th century, the insurance industry underwent significant liberalization and technological transformation. Deregulation in the United States and Europe in the 1980s removed barriers to competition, allowing insurers to expand product lines and enter new markets. In Asia, market reforms in countries such as China and India paved the way for private and foreign investment, transforming previously state-dominated sectors into vibrant, competitive markets. The adoption of information technology revolutionized core insurance functions, with the introduction of computerized underwriting, automated claims processing, and customer relationship management systems. Globalization accelerated, with multinational insurers leveraging their expertise to develop tailored products for diverse markets. The emergence of bancassurance, or the partnership between banks and insurance companies, further expanded distribution networks. By the late 1990s, the proliferation of internet-based services set the stage for digital innovation, enabling online policy sales, customer self-service, and new modes of communication between insurers and policyholders (Singreddy, 2025; Nayak & Mishra, 2014).

2000–Present: Digitalization and Global Integration

The 21st century has seen the insurance industry embrace digitalization at an unprecedented pace. The rise of insurtech startups, the use of big data analytics, and artificial intelligence have fundamentally transformed how insurers assess risk, develop products, and interact with customers. Mobile technology has been particularly influential in Asia, where countries like China and India have led the way in leveraging digital platforms to increase insurance penetration among previously underserved populations. Regulatory bodies worldwide have responded by updating frameworks to address emerging risks, such as cyber threats and data privacy concerns, while encouraging innovation and competition. Cross-border collaboration and harmonization of standards have facilitated the entry of insurers into new markets, fostering greater global integration. The COVID-19 pandemic further accelerated the adoption of digital channels and remote servicing, highlighting the industry's agility

and its critical role in supporting economic resilience. As insurance continues to evolve, the focus is increasingly on customer-centric solutions, financial inclusion, and the integration of sustainable and ESG (Environmental, Social, and Governance) principles (Singreddy, 2025; Nayak & Mishra, 2014).

Table (2.1) provides a chronological summary of the establishment of formal insurance systems in selected countries, highlighting the initial insurance models and their respective strengths and limitations. This overview offers insights into the historical context of insurance innovation and adoption around the world.

Table (2.1) Starting Years of Some Countries and Applied Insurance Model

Year	Country/Region	Insurance Model at Starting Time
1688	United Kingdom	Marine Insurance Syndicate (Lloyd's of London)
1710	United Kingdom	Fire Insurance (The Sun Fire Office)
1759	United States	Mutual Life Insurance (Presbyterian Ministers' Fund)
1818	India	Life Insurance (Oriental Life Insurance Company)
1845	Germany	Life Insurance (Germany's first companies)
1848	France	Life Insurance (Compagnie Générale des Assurances sur la Vie)
1853	United States	Property Insurance (Travelers Insurance)
1862	China (Shanghai)	Foreign Life Insurance (Yangtze Insurance Association)
1879	Japan	Life Insurance (Meiji Life Insurance Company)
1912	India	Regulatory Oversight (Indian Life Assurance Companies Act)
1921	China	Domestic Life Insurance (China Life Insurance Company)
1946	South Korea	Life Insurance (Korea Life Insurance Company)

Source: Singreddy (2025)

The United Kingdom pioneered the marine insurance syndicate model with Lloyd's of London in 1688 and later introduced fire insurance through The Sun Fire Office in 1710. The syndicate model's major strength lay in its ability to pool risk among multiple underwriters, facilitating the coverage of high-value and unpredictable marine ventures. It also fostered innovation in contract design and risk assessment. The fire insurance model provided community-level protection against common hazards and helped establish the concept of pooled premiums for shared risk. However, both models initially lacked comprehensive regulation, leading to occasional disputes and inconsistent claims handling. Additionally, early insurance accessibility was largely limited to merchants and urban elites, leaving much of the population without coverage (Singreddy, 2025).

The United States introduced mutual life insurance with the Presbyterian Ministers' Fund in 1759, a model that emphasized member ownership and collective risk-sharing. The mutual structure's strength was its alignment of company and policyholder interests, typically resulting in more equitable surplus distribution and customer focus. By 1853, the introduction of property insurance (e.g., Travelers Insurance) diversified available protection for individuals and businesses. Nevertheless, the mutual model sometimes struggled with capital accumulation and expansion, while early property insurance faced challenges in actuarial precision due to limited historical loss data and regulatory oversight (Singreddy, 2025).

India's insurance industry began with the Oriental Life Insurance Company in 1818, importing the British life insurance model. This provided long-term financial security to policyholders and gradually spread awareness of risk management. However, the early industry primarily served European expatriates and urban elites, limiting broader impact. The introduction of regulatory oversight in 1912 via the Indian Life Assurance Companies Act represented a strength in formalizing industry standards and consumer protection. Yet, regulatory capacity and enforcement mechanisms were limited, and rural outreach remained minimal in the early years (Singreddy, 2025).

Germany's first life insurance companies, established in 1845, were notable for their organizational structure, actuarial rigor, and focus on stability. The strength of the German model was its scientific approach to premium calculation and risk pooling, which enhanced financial solvency and reliability. On the downside, early German insurers often had limited flexibility in product offerings and initially catered to middle- and upper-class clientele, leaving low-income groups underinsured (Singreddy, 2025).

France's *Compagnie Générale des Assurances sur la Vie*, founded in 1848, signaled a move toward commercialized life insurance in continental Europe. The company's strength was its professional management and standardized contracts, which increased transparency and trust. However, the model initially faced skepticism from the public, and social acceptance grew slowly. Legislative and regulatory frameworks also lagged behind the industry's growth, exposing policyholders to potential abuses and insolvency risks (Singreddy, 2025).

Insurance in China began in 1862 with foreign life insurance companies, such as the Yangtze Insurance Association, primarily serving expatriates and foreign businesses. The strength of this model was the introduction of modern risk management techniques and access to international capital. However, its limitation was the exclusion of the local population and reliance on foreign expertise. The establishment of the China Life Insurance Company in 1921 marked a significant shift towards domestic participation. While this improved relevance to local needs and increased accessibility, it often faced issues of limited technical capacity and capital constraints during its formative years (Singreddy, 2025).

Japan's Meiji Life Insurance Company, launched in 1879, adapted Western models to local cultural and economic conditions. A key strength was its rapid scalability and integration into Japan's modernization drive, combining Western actuarial methods with local business practices. However, early Japanese insurers sometimes faced financial instability and needed to build public trust in insurance as a financial instrument (Singreddy, 2025).

South Korea's insurance industry began in 1946 with the Korea Life Insurance Company. The strength of the initial model was its role in supporting post-war economic recovery and providing basic financial security to families. The model also benefited from strong government support and regulatory backing. However, early limitations included a narrow range of products, limited market penetration in rural areas, and relatively low levels of public awareness about insurance benefits (Singreddy, 2025).

2.2 Theoretical Frameworks in Insurance Development

The evolution of the insurance industry has been shaped by a variety of theoretical frameworks, each providing unique perspectives on how insurance systems originate, grow, and influence broader economic and social structures. These

frameworks draw from economics, sociology, management, entrepreneurship, and public policy, resulting in a multidimensional understanding of insurance development. By examining these conceptual models, policymakers, practitioners, and researchers can better understand the intricate mechanisms that drive the growth, innovation, and transformation of insurance sectors worldwide.

Conceptual Frameworks for Banking and Insurance Interaction

A prominent framework in contemporary insurance development literature explores the integration and interaction between the banking and insurance sectors, a trend often referred to as “bancassurance.” Bazilinska and Panchenko (2021) advance a detailed conceptual approach that identifies the mutual benefits and challenges arising from convergence between these financial subsectors. Their framework emphasizes the creation of synergistic financial products, cross-selling strategies, and the optimization of distribution channels, which collectively increase efficiency, expand customer reach, and diversify risk. It also discusses how regulatory environments can either facilitate or hinder this integration, especially as digital technologies blur traditional boundaries between banking and insurance services. Furthermore, this framework acknowledges the potential for systemic risk if coordination and oversight lag behind innovation, highlighting the importance of adaptive regulation in maintaining market stability while encouraging innovation and consumer value. The model has been particularly relevant in regions such as Europe and Asia, where bancassurance has become a dominant force in the insurance landscape, driving both product innovation and financial inclusion (Bazilinska & Panchenko, 2021).

Community-Based and Social Capital Frameworks

Another influential perspective in insurance development is the community-based approach, which underscores the power of social capital, collective action, and trust in establishing insurance mechanisms in low-income and rural settings. Mladovsky and Mossialos (2008) articulate a conceptual framework that situates community-based health insurance within the broader dynamics of social cohesion and mutual aid. This model stresses the importance of local governance, participatory decision-making, and the leveraging of pre-existing social networks to foster trust, reduce transaction costs, and encourage widespread enrollment. The framework recognizes that where state-based or commercial insurance is limited due to affordability or infrastructure challenges, community-driven solutions can fill critical gaps, build social resilience, and contribute to grassroots economic development. However, it also notes that the sustainability of such schemes hinges on sound

management, adequate risk pooling, and the ability to scale without losing community trust or effectiveness. This framework has been applied extensively in sub-Saharan Africa, South Asia, and Latin America, where micro-insurance and community-based models have supported health and agricultural risk management (Mladovsky & Mossialos, 2008).

Insurance and Entrepreneurship Framework

The relationship between insurance and entrepreneurship offers another theoretical lens, positioning insurance as a key enabler of innovation, investment, and private sector growth. Masci (2012) proposes a conceptual framework where insurance acts not only as a protective mechanism for individuals and firms but also as a driver of entrepreneurial activity. By transferring risk away from entrepreneurs, insurance reduces the fear of catastrophic loss and encourages risk-taking, which is essential for business creation and expansion. This framework explores how the availability and diversity of insurance products, such as liability, property, and credit insurance, can lower barriers to entry for startups, support lending and investment, and stimulate broader economic dynamism. Furthermore, the presence of a robust insurance sector can contribute to the development of venture capital markets, as insured risks make investments more attractive to financiers. Masci's framework also contemplates the feedback loop, where entrepreneurial growth increases demand for insurance, creating a virtuous cycle of mutual reinforcement. This model is particularly significant in both developed and emerging economies seeking to harness entrepreneurship for economic diversification and resilience (Masci, 2012).

Microinsurance and Inclusive Market Development

Focusing on the extension of insurance to marginalized populations, Brau, Merrill, and Staking (2011) offer a comprehensive framework for understanding and addressing the challenges in developing microinsurance markets. Their model integrates traditional insurance concepts such as adverse selection, moral hazard, and information asymmetry, but adapts them to the realities of low-income settings where trust, literacy, and affordability are major barriers. The framework highlights the need for innovative product design, simplified contracts, technology-driven distribution (such as mobile platforms), and the critical role of intermediaries and non-governmental organizations in building awareness and trust. Regulatory innovation is also seen as crucial, with flexible licensing, consumer protection, and solvency standards tailored to microinsurance needs. The framework draws attention to the necessity of public-private

partnerships and donor involvement to overcome initial market failures and catalyze scale. Ultimately, the model envisions microinsurance as a tool not only for risk management but also for enhancing social protection and economic empowerment in developing contexts (Brau, Merrill, & Staking, 2011).

Insurance Industry Growth Theory

Nektarios (2010) presents an insurance-specific growth theory that synthesizes macroeconomic, demographic, and institutional drivers of industry expansion. His framework posits that the growth trajectory of the insurance sector is closely linked to rising incomes, urbanization, and increasing awareness of risk, which collectively drive demand for insurance products. On the supply side, the model underscores the importance of regulatory quality, financial innovation, competition, and the emergence of complementary financial institutions. Nektarios also discusses feedback effects, where a mature insurance sector can promote long-term economic growth by enhancing financial stability, supporting investment, and fostering a culture of risk mitigation. The framework further considers the impact of globalization, technological change, and demographic shifts, such as aging populations, on the evolving structure of insurance markets. Policymakers and industry leaders use this theory to anticipate future trends and design interventions aimed at sustaining growth and stability in the sector (Nektarios, 2010).

Institutional and Regulatory Frameworks

Beyond the previously mentioned models, institutional and regulatory theories play a pivotal role in shaping insurance development worldwide. These frameworks focus on the legal, regulatory, and policy environments that underpin the insurance industry's stability and growth. They explore how robust legal systems, effective contract enforcement, sound prudential supervision, and transparent consumer protection foster trust and encourage both supply and demand for insurance. The role of international standards, such as those promoted by the International Association of Insurance Supervisors (IAIS), is emphasized, as global integration exposes insurers to cross-border risks and compliance requirements. Conversely, weak or fragmented regulation can stifle innovation, erode consumer confidence, and restrict market entry, particularly in developing economies. Institutional theory also examines the impact of government intervention, such as mandatory insurance schemes for health, auto, or disaster coverage, and the balance between state and private provision. These

frameworks are widely applied in comparative policy analysis and international development studies (Bazilinska & Panchenko, 2021).

Behavioral Economics Frameworks

Recently, behavioral economics has emerged as a relevant framework in the study of insurance development. This approach explores how psychological factors, cognitive biases, and decision-making heuristics influence individuals' and firms' insurance purchasing behavior. It explains why people frequently underinsure against significant risks or choose suboptimal coverage levels despite the availability of products. Behavioral frameworks investigate the roles of framing, loss aversion, trust, and perceived value in insurance uptake, and how interventions such as improved financial literacy, nudges, and default options can enhance market participation. This theory is particularly pertinent in the design of marketing, product information, and regulatory disclosure standards globally (Bazilinska & Panchenko, 2021).

Technological Innovation and Digital Transformation Frameworks

The rapid rise of digital technology and insurtech has given rise to new frameworks focused on the role of innovation in insurance development. These frameworks assess how advancements in data analytics, artificial intelligence, mobile platforms, and blockchain are transforming underwriting, distribution, claims management, and customer engagement. They examine the potential for technology to lower costs, increase transparency, and expand access, especially in remote or underserved regions. However, they also address challenges related to cybersecurity, data privacy, and digital literacy. This perspective is increasingly influential in both academic research and industry practice, shaping the agenda for future insurance development worldwide (Bazilinska & Panchenko, 2021).

2.3 Types of Insurance

Table (2.2) presents a structured overview of the principal types of insurance available in today's global markets, emphasizing their variants, core coverage, target groups, regulatory environment, and unique attributes. This diversity in insurance products reflects not only the variety of risks individuals and organizations face but also the ongoing innovation and adaptation within the insurance sector to meet evolving societal and economic needs.

Table (2.2) Types of Insurance and Key Features

Type of Insurance	Sub-Type/Variant	Typical Coverage	Target Customers	Regulatory Requirements	Key Features/Notes
Life Insurance	Term Life	Death benefit during policy term	Individuals, families	Varies by country; solvency, disclosures	Fixed term, no cash value
	Whole Life	Lifetime death benefit + cash value	Individuals	Stringent reserve requirements	Premiums fixed; cash value accrues
	Endowment	Death or maturity benefit	Individuals	Disclosure, transparency	Pays out at end of term or on death
	Universal Life	Flexible premiums, death benefit, savings	Individuals	Regulatory oversight	Adjustable premiums and coverage
Health Insurance	Individual Health	Medical, hospitalization, surgery	Individuals, families	Must meet national health standards	May include dental, vision, and preventive care
	Group Health	Health coverage for employees/members	Corporations, organizations	Corporate compliance	Lower premiums per capita; often mandatory for employers
	Critical Illness	Lump-sum on diagnosis of specified illness	Individuals	Disclosure, exclusions	Covers cancer, heart attack, stroke, etc.
Property Insurance	Homeowners	Damage to home, liability, contents	Homeowners	Building code compliance	Often required by mortgage lenders
	Renters	Contents, personal liability	Renters	Disclosure, tenant protection	Excludes building structure
	Commercial Property	Property damage, business interruption	Businesses	Building and fire codes	May cover equipment, inventory, loss of income

Motor Insurance	Motor Third-Party Liability	Liability for bodily injury/property damage	Vehicle owners, businesses	Usually mandatory by law	Minimum legal requirement, may not cover own damage
	Comprehensive	Own damage, theft, fire, third-party liability	Vehicle owners	Regulatory minimums	Covers a wide range of incidents
	Auto Personal Accident	Injuries/death to driver/passengers	Vehicle owners, drivers	Disclosure, claims standards	Often bundled with other motor policies
Liability Insurance	General Liability	Bodily injury/property damage to third parties	Businesses, NGOs, professionals	Minimum limits set by regulators	Essential for business operations
	Professional Indemnity	Malpractice, errors & omissions	Doctors, lawyers, consultants	Licensing, professional standards	Often mandatory for regulated professions
	Product Liability	Injury/damage from products sold	Manufacturers, sellers	Product safety laws	Covers recalls, legal expenses
Marine Insurance	Hull and Machinery	Damage to ship/vessel	Ship owners, cargo operators	International maritime rules	Specialized underwriting for shipping industry
	Cargo	Loss/damage to cargo during transit	Exporters, importers, logistics	Customs, international standards	May be required by trade contracts
Aviation Insurance	Aircraft Hull	Damage to aircraft	Airlines, charter operators	Civil aviation authority approval	High premiums, strict regulations
	Passenger Liability	Injury/death of passengers	Airlines	Mandated by international treaties	Required for commercial airlines

Agricultural Insurance	Crop Insurance	Loss/damage to crops from natural perils	Farmers, agribusinesses	Government support in many countries	Subsidized in many regions, may be parametric
	Livestock	Death/illness of animals	Farmers, ranchers	Veterinary oversight	Covers specified livestock perils
Travel Insurance	Single Trip	Medical, trip cancellation, baggage loss	Tourists, business travelers	Disclosure of exclusions	Short-term, policy per trip
	Annual Multi-Trip	As above, for multiple trips annually	Frequent travelers	Regulatory oversight	Covers all trips within the policy year
Microinsurance	Micro-Health, Micro-Life	Health, life, crop, livestock, property (small sums)	Low-income, rural populations	Simplified regulation, consumer protection	Low premiums, simplified claims, community-based distribution
Reinsurance	Treaty, Facultative	Risk transfer for insurers (not direct customers)	Insurance companies	International regulatory rules	Diversifies risk, essential for solvency management
Pension/Annuity	Defined Benefit, Defined Contribution	Retirement income, lump sum	Individuals, employees	Pension fund regulations	Tax benefits, long-term investment mechanism
Credit Insurance	Trade Credit, Mortgage	Default on loans, non-payment by buyers	Banks, exporters, property lenders	Prudential oversight	Supports lending, facilitates trade
Social Insurance	State Health, State Pension	Universal health, unemployment, retirement	Citizens, residents	Government administered	Funded by taxes or payroll contributions, mandatory in many countries

Environmental Insurance	Pollution Liability	Cleanup costs, third-party claims for pollution	Manufacturers, energy, mining	Environmental laws	Covers regulatory fines, remediation expenses
Cyber Insurance	Data Breach, Liability	Losses from cyber-attacks, data breaches	Businesses, organizations	Varies, emerging regulation	Rapidly growing segment, covers ransomware, hacking, data loss

Source: Patsuriya (2010)

Life insurance represents one of the most fundamental forms of insurance, designed to provide financial security to beneficiaries upon the policyholder’s death or after a specified period. Within this category, term life insurance stands out for its straightforward design, offering a guaranteed death benefit during a fixed policy term, generally without any savings or investment component. It is often favored for its affordability and clarity. Whole life insurance, in contrast, provides lifelong protection and accumulates cash value over time, making it both a risk management tool and a long-term savings vehicle; it typically requires more stringent regulatory reserves to ensure solvency. Endowment policies are structured to pay either on death or upon reaching a predetermined maturity date, thus combining elements of protection and savings, often used for planned future expenses. Universal life insurance introduces flexibility, allowing policyholders to adjust premiums and coverage as their needs change, and often includes a savings element. Regulatory requirements for life insurance products can vary significantly by jurisdiction, but they commonly emphasize solvency, transparency, and fair disclosure to protect policyholders’ interests (Patsuriya, 2010).

Health insurance plays a critical role in protecting individuals and families from the financial burden of medical expenses. The individual health insurance sub-type covers a broad range of medical costs, including hospitalization, surgery, and preventive care, often extending to dental or vision coverage. Group health insurance, typically provided by employers or organizations, pools risk across a larger number of people and can offer lower per-capita premiums, making it a popular and sometimes

mandatory benefit in the workforce. Critical illness insurance addresses specific, high-cost health events such as cancer, heart attacks, or strokes by providing a lump-sum payment upon diagnosis. Health insurance is generally subject to rigorous national standards to ensure comprehensive coverage and consumer protection, with specific emphasis on the clarity of terms and the exclusion of unjust practices (Patsuriya, 2010).

Property insurance aims to safeguard physical assets against loss or damage arising from incidents such as fire, theft, or natural disasters. Homeowners insurance is tailored for property owners and typically covers the structure, personal belongings, and liability for accidents occurring on the premises; mortgage lenders often require such coverage. Renters insurance, by contrast, is designed for tenants and protects their personal possessions and liability, excluding the building structure itself. Commercial property insurance addresses the needs of businesses, offering protection for buildings, equipment, inventory, and covering potential business interruptions. Regulatory requirements typically focus on compliance with building codes and fire safety standards to mitigate risks and support claims' legitimacy (Patsuriya, 2010).

Motor insurance is indispensable for vehicle owners and often mandated by law. The most basic sub-type, motor third-party liability insurance, covers bodily injury and property damage caused to others in an accident and is usually the minimum legal requirement for operating a vehicle. Comprehensive motor insurance provides broader protection, including coverage for the insured's own vehicle against accidents, theft, fire, and third-party liability. Auto personal accident insurance is often bundled with other motor insurance products and offers compensation for injuries or death suffered by drivers or passengers. Regulatory oversight ensures minimum coverage standards and expedites claims settlement processes (Patsuriya, 2010).

Liability insurance provides coverage against claims resulting from injuries or damage to other people or property. General liability insurance is a foundational product for businesses of all sizes, protecting them from third-party claims and supporting business continuity. Professional indemnity insurance, also known as errors and omissions insurance, is essential for professionals such as doctors, lawyers, and consultants, shielding them from claims of negligence or malpractice, often a regulatory requirement for licensed practitioners. Product liability insurance protects manufacturers and sellers from lawsuits related to defective products, including expenses for recalls and legal defense. Each of these types is subject to regulatory minimums and industry-specific standards, promoting accountability and consumer safety (Patsuriya, 2010).

Marine and aviation insurance are specialized forms addressing the unique risks associated with transportation. Marine insurance is split into hull and machinery insurance, which covers damage to vessels, and cargo insurance, which protects goods in transit against loss or damage. These products are vital for global trade and are regulated by international maritime conventions. Aviation insurance similarly covers damage to aircraft (aircraft hull insurance) and liability for passenger injuries or deaths (passenger liability insurance), both of which are subject to strict regulatory regimes and international treaties to ensure safety and solvency (Patsuriya, 2010).

Agricultural insurance supports the critical sector of farming, where risks from weather, disease, and market volatility are high. Crop insurance provides indemnity for losses due to natural perils such as droughts or floods and is often subsidized or supported by governments to promote food security. Livestock insurance protects farmers and ranchers against the death or illness of animals, with oversight often involving veterinary authorities to ensure proper risk assessment and claims management (Patsuriya, 2010).

Travel insurance addresses the risks associated with domestic and international travel. Single-trip policies provide short-term coverage for events like medical emergencies, trip cancellations, or lost luggage, while annual multi-trip insurance is designed for frequent travellers, offering convenience and extended protection across multiple journeys. Regulatory oversight focuses on clear disclosure of exclusions and policy limits (Patsuriya, 2010).

Microinsurance targets low-income and rural populations who otherwise lack access to traditional insurance products. These policies are characterized by low premiums, simplified terms, and community-based distribution models, making them especially valuable in developing economies. They commonly cover health, life, crop, livestock, or property risks and are subject to simplified regulatory frameworks prioritizing consumer protection and financial inclusion (Patsuriya, 2010).

Reinsurance is a form of insurance purchased by insurers themselves to manage risk exposure and maintain solvency. Treaty and facultative reinsurance arrangements allow insurers to transfer portions of their risk portfolios to other companies, thus diversifying risk across the industry and supporting stability in the face of large-scale losses. Internationally recognized regulatory standards ensure the reliability of reinsurance providers (Patsuriya, 2010).

Pension and annuity products are long-term financial instruments designed to provide retirement income to individuals and employees. These can be structured as defined benefit or defined contribution plans, regulated under pension fund laws to ensure solvency and protect beneficiaries. They offer tax advantages and form a crucial component of social safety nets and employee benefits programs (Patsuriya, 2010).

Credit insurance supports lending and trade by covering lenders and exporters against the risk of borrower defaults or buyer non-payment. This type of insurance facilitates access to credit, encourages exports, and is subject to prudential oversight to safeguard financial system stability (Patsuriya, 2010).

Social insurance encompasses government-administered programs such as state health insurance, unemployment, and pension schemes. These are typically funded through taxes or payroll contributions and are mandatory in many countries, forming the backbone of national social protection systems (Patsuriya, 2010).

Environmental and cyber insurance represent newer areas of coverage in response to emerging risks. Environmental or pollution liability insurance covers costs associated with pollution clean-up and third-party claims, helping companies comply with environmental laws. Cyber insurance addresses the escalating threats from data breaches, cyberattacks, and digital extortion, providing businesses with crucial financial protection and access to incident response resources. Regulation in these areas is still evolving to keep pace with technological and environmental developments (Patsuriya, 2010).

2.4 Key Drivers of Insurance Industry Growth

The expansion of the insurance industry is shaped by a diverse and evolving set of drivers spanning economic, demographic, regulatory, technological, and sociocultural domains. At the foundation, macroeconomic growth, characterized by rising GDP, income levels, and industrialization, remains a primary catalyst. As economies grow and households accumulate more wealth and assets, the appetite for risk mitigation increases. This leads to higher demand for a variety of insurance products, from life and health to property and casualty coverage. Economic stability also boosts consumer confidence and enables long-term planning, both of which are conducive to insurance uptake (Feyen, Lester, & Rocha, 2013).

Demographic trends are another critical driver. Rapid urbanization, population growth, and increasing life expectancy reshape the structure of insurance demand

globally. For example, an aging population drives the demand for health, life, and pension insurance, whereas growing youth populations in emerging markets stimulate the need for education, employment, and personal accident policies. Urbanization often correlates with higher property ownership, vehicle usage, and business activity, all of which generate additional insurance requirements (Abbas & Ning, 2016).

A robust and clear regulatory framework is vital for industry development. Effective regulation inspires public trust, ensures fair competition, and supports the solvency of insurers, which are all essential for sustained growth. Governments that implement internationally recognized standards, establish independent oversight bodies, and require mandatory insurance lines (such as motor or health) accelerate both the penetration and credibility of the insurance market. Furthermore, regulatory reforms that support innovation, such as regulatory sandboxes for insurtech, create an environment where new products and business models can flourish (Feyen, Lester, & Rocha, 2013).

Technological advancement continues to revolutionize the insurance landscape. The adoption of digital tools, big data analytics, artificial intelligence, and mobile platforms has improved customer access, operational efficiency, underwriting accuracy, and claims management. Technology enables insurers to reach new customer segments, particularly in remote or underserved areas, and offers customized products at lower costs. The rise of insurtech startups has introduced innovative distribution channels, microinsurance solutions, and peer-to-peer insurance models, broadening the industry's reach (Liedtke, 2009).

Financial inclusion and access to insurance among low-income populations are increasingly recognized as growth drivers, especially in developing economies. Microinsurance and community-based insurance schemes have helped extend essential risk protection to vulnerable groups, contributing not only to household resilience but also to broader economic development. Governments, NGOs, and international organizations are playing active roles through public-private partnerships, subsidies, and consumer education campaigns to foster financial inclusion. Cultural and societal attitudes toward risk and insurance also influence industry growth. In markets where informal risk-sharing practices are common, insurance providers must invest in building trust, raising awareness, and demonstrating value. Tailoring products to local customs, religious beliefs (such as Takaful in Islamic finance), and social norms can break down barriers to adoption and stimulate market growth (Signé & Johnson, 2020).

The strength and sophistication of insurance distribution channels are another major driver. The expansion of agency networks, bancassurance (insurance sold through banks), digital platforms, and direct sales models has significantly improved product accessibility. Well-developed distribution infrastructure enables insurers to reach a broader customer base and respond quickly to changing market needs (Abbas & Ning, 2016). Innovation in product development and risk management is essential for industry expansion. Insurers that successfully create new products, such as cyber insurance, climate risk coverage, or parametric policies, can tap into previously unmet needs. Likewise, the adoption of advanced risk modeling and reinsurance arrangements allows the industry to manage increasingly complex global risks, supporting sustainable growth (Liedtke, 2009).

Globalization and cross-border collaboration further drive the industry. The entry of multinational insurers brings capital, modern management practices, and knowledge transfer, raising standards and competitiveness in local markets. International trade, foreign direct investment, and cross-border regulatory harmonization contribute to market expansion and resilience (Feyen, Lester, & Rocha, 2013; Liedtke, 2009). Lastly, government intervention during crises, such as natural disasters or pandemics, can act as a catalyst by highlighting the importance of insurance and sometimes introducing new mandatory schemes or incentives. Public policy measures, including disaster risk insurance pools, crop insurance subsidies, and health coverage mandates, can rapidly expand market size and reinforce the role of insurance in economic stability (Signé & Johnson, 2020).

In summary, the drivers of insurance industry growth are multifaceted, including economic progress, demographic shifts, regulatory quality, technology, financial inclusion, cultural adaptation, distribution innovation, product development, globalization, and proactive government intervention. Their interplay determines the speed, scale, and sustainability of insurance market development in both developed and emerging economies (Abbas & Ning, 2016; Signé & Johnson, 2020).

2.5 Insurance Policies

Insurance policies form the backbone of risk management and financial security for individuals, families, and businesses, offering tailored protection against a wide array of unforeseen events. The insurance landscape is characterized by a diverse range of products designed to meet specific needs. Life insurance policies are fundamental to

personal financial planning, encompassing variants such as term life, whole life, universal life, and endowment policies, each differing in coverage, cash value features, policy duration, and exclusions. Health-related insurance policies, including individual health, critical illness, and group health insurance, address medical and wellness risks, with varying coverage options, renewability, and premium structures. Property and liability insurance policies, such as homeowners, renters, motor, and travel insurance, safeguard physical assets and manage third-party exposures, often with mandatory requirements and carefully delineated exclusions. Additionally, specialized insurance products, ranging from crop and microinsurance to cyber and pollution liability insurance, have emerged to address unique sector-specific risks and promote inclusivity. Collectively, this spectrum of insurance policies underscores the industry’s adaptability and essential role in fostering resilience and stability across sectors and populations (Schwarcz, 2011; Stempel, 2009).

Table 2.3 offers a comprehensive overview of the main types of insurance policies available in contemporary markets, summarizing their core coverage, typical exclusions, policy terms, premium payment structures, and distinctive features. Understanding these details helps consumers and professionals select the right insurance solutions to suit individual, family, and business needs.

Table (2.3) Insurance Policies and Key Features

Insurance Policy	Coverage Type	Typical Exclusions	Policy Term	Premium Payment Frequency	Notable Features
Term Life Insurance	Death benefit	Suicide (early years), fraud	10–30 years	Annual, semi-annual, monthly	No cash value, fixed premiums
Whole Life Insurance	Death benefit, cash value	Suicide (early years), fraud	Lifetime	Annual, semi-annual, monthly	Cash value accrual, level premiums
Universal Life Insurance	Flexible death/savings	Non-payment, exclusions on risky activities	Flexible (lifetime)	Flexible	Adjustable premiums, investment portion

Endowment Policy	Lump-sum at maturity or death	Risky activities, fraud	10–30 years	Annual, semi-annual	Combines savings and insurance
Health Insurance	Medical expenses	Cosmetic procedures, pre-existing conditions (varies)	1 year (renewable)	Annual, monthly	May include dental/vision
Critical Illness	Lump-sum on diagnosis	Pre-existing conditions, waiting period	5–20 years	Annual, monthly	Covers specific illnesses
Motor Comprehensive	Own damage, third-party	Drunk driving, racing	1 year (renewable)	Annual, monthly	Theft and fire coverage included
Motor Third-Party	Third-party liability	Own damage, non-licensed driver	1 year (renewable)	Annual, monthly	Legally required in many countries
Homeowners Insurance	Building, contents, liability	Flood, earthquake (unless added)	1 year (renewable)	Annual	May include loss-of-use coverage
Renters Insurance	Contents, liability	Building structure, intentional damage	1 year (renewable)	Annual, monthly	Affordable, covers personal items
Travel Insurance	Medical, trip interruption, baggage	Pre-existing conditions, risky activities	Per trip or annual	Single premium or annual	Includes emergency evacuation
Crop Insurance	Crop loss/damage	Negligence, certain pests	Seasonal/annual 1	Annual	May be subsidized
Group Health Insurance	Medical for employees	Certain treatments, cosmetic	1 year (renewable)	Monthly, annual (by employer)	Lower premiums, covers dependents
Microinsurance	Life, health, crop, livestock,	Various exclusions	Short-term (1–3 years)	Flexible, low premium	Simplified terms, accessible

	property (small scale)				
Cyber Insurance	Data breach, liability	War, intentional acts	1 year (renewable)	Annual	Covers ransom, regulatory fines
Pollution Liability	Pollution cleanup, third-party damages	Intentional acts, gradual pollution	1 year (renewable)	Annual	Often mandatory for certain industries

Source: Schwarcz (2011) and Stempel (2009)

Life insurance policies are foundational to personal financial planning, and Table 2.3 outlines several key variants. *Term life insurance* provides a pure death benefit for a fixed period, usually 10–30 years, with premiums paid annually, semi-annually, or monthly. Its notable features include fixed premiums and the absence of a cash value component, making it affordable but non-investment-oriented; exclusions commonly include suicide (in the early years) and fraud. *Whole life insurance* extends coverage for the policyholder’s entire life and adds a cash value account that accrues over time. Premiums are level throughout the policy’s duration, and cash value can be borrowed against or withdrawn, although exclusions for early suicide and fraud still apply. *Universal life insurance* offers flexibility, allowing policyholders to adjust both premiums and coverage, and often includes an investment or savings element. However, coverage may lapse for non-payment or risky activities, reflecting the product’s complexity. *Endowment policies* pay a lump sum either on the policyholder’s death or after a set maturity period, blending savings and protection features. They typically exclude claims arising from risky activities or fraudulent claims (Schwarcz, 2011).

Health-related insurance policies include both broad and specialized options. *Health insurance* covers medical expenses, hospitalization, and sometimes dental or vision care. While policy terms are usually annual and renewable, exclusions typically target cosmetic procedures and pre-existing conditions, though the latter can vary by jurisdiction. *Critical illness insurance* pays out a lump sum upon the diagnosis of specific illnesses like cancer, heart attack, or stroke, with terms between 5 and 20 years; it excludes pre-existing conditions and may enforce a waiting period before coverage begins. *Group health insurance* is designed for employees and often features lower

premiums and coverage for dependents, with similar exclusions to individual health plans. Its annual, employer-managed renewal structure makes it a cost-effective benefit for organizations (Stempel, 2009).

Property and liability insurance policies protect assets and manage various third-party risks. *Homeowners insurance* covers damage to the building, personal contents, and liability for accidents on the property, with annual renewable terms. Floods and earthquakes are generally excluded unless additional coverage is purchased. *Renters insurance* is tailored for tenants to cover personal belongings and liability, excluding the building structure itself and intentional damage. *Motor insurance* is divided into two main categories: *comprehensive*, which covers own damage, theft, fire, and third-party liability, and *third-party*, which only covers liability for injury or property damage to others. These policies are often mandatory and renewable annually, with exclusions for unlicensed drivers and risky behaviors like drunk driving. *Travel insurance* provides short-term coverage for medical emergencies, trip interruptions, and baggage loss, usually on a per-trip or annual basis, with emergency evacuation as a key feature; certain risky activities and pre-existing conditions may be excluded (Schwarcz, 2011).

Specialized insurance policies address unique risks in specific sectors. *Crop insurance* insures farmers against loss or damage to crops due to natural perils, and is sometimes subsidized by governments, with annual or seasonal terms and exclusions for negligence or uninsurable pests. *Microinsurance* is targeted at low-income or rural populations, offering simplified, affordable coverage for health, life, crop, livestock, or property risks. Terms are typically short, and claims processes are designed for accessibility, though exclusions can be broad. *Cyber insurance* has emerged to protect businesses against data breaches and cyberattacks, usually including coverage for ransom payments and regulatory fines, with annual terms and exclusions for war or intentional acts. *Pollution liability insurance* is often mandatory for industries with environmental risk and covers cleanup costs and third-party damages; gradual pollution or intentional acts are usually not covered (Stempel, 2009).

2.6 Challenges and Barriers in the Insurance Sector

The insurance sector contends with persistent issues of public trust and awareness, which remain fundamental barriers to industry growth and financial inclusion. In numerous emerging and even some developed markets, insurance is

misunderstood or viewed with skepticism due to perceived complexity, a lack of tangible immediate benefits, and historical cases of claim disputes or insurer insolvency. Low financial literacy further prevents individuals and businesses from fully understanding the value of insurance, leading to widespread underinsurance or complete absence of coverage. Cultural attitudes toward risk-sharing, reliance on informal safety nets, and inadequate consumer education contribute to the slow adoption of insurance products. As a result, insurers must invest significantly in marketing, transparency initiatives, and financial literacy campaigns to foster trust and broaden market penetration, yet the pace of change remains slow (Šain & Selimović, 2009).

Regulatory complexity and fragmentation pose significant operational and strategic challenges for insurers operating both domestically and internationally. Each country or even subnational region often has its own set of insurance laws, solvency requirements, and consumer protection frameworks. These differences complicate compliance, increase administrative costs, and require insurers to adapt product structures and reporting systems for each market. Regulatory unpredictability, including abrupt changes, retrospective application of rules, and political interference, can undermine business planning and discourage innovation. For multinational insurers and insurtech startups, inconsistent licensing requirements, tax regimes, and data localization laws create barriers to scaling cross-border operations or introducing unified digital platforms. Additionally, in some markets, regulatory oversight may be inadequate, leading to unfair practices or systemic risk, while in others, overregulation can stifle competition and innovation (Nicholson, 2019).

Technological disruption is simultaneously an opportunity and a formidable barrier in the insurance industry. The rise of insurtech, fueled by developments in artificial intelligence, big data analytics, blockchain, telematics, and digital customer engagement, is reshaping every aspect of the insurance value chain, from underwriting and pricing to claims management and distribution. While these technologies can significantly reduce costs, improve accuracy, and enable new, customized products, they require substantial investment and organizational change. Legacy insurers often face challenges integrating new technologies with outdated core systems and adapting to agile, customer-centric operating models. Cybersecurity threats, data privacy concerns, and compliance with evolving digital regulations further complicate the transition. Moreover, the rapid pace of technological change risks leaving behind smaller players or markets with limited digital infrastructure, exacerbating inequality within the sector (Koprivica, 2018).

Market integration, or the lack thereof, continues to impede sector efficiency and growth, especially in regions like Latin America, Africa, and parts of Asia. Without harmonized standards for capital, solvency, product approval, and consumer protection, insurers struggle to benefit from economies of scale or efficient reinsurance arrangements. Fragmented markets limit the ability to pool risks and offer innovative products, such as cross-border health or catastrophe insurance, which are especially important for managing regional shocks and disasters. Protectionist policies, limited cross-border regulatory cooperation, and insufficient regional data-sharing further restrict the development of robust, resilient insurance ecosystems (Myrvoda & Sutton, 2017).

Economic and demographic trends exert additional pressure on the insurance sector's sustainability. Persistently low or negative interest rates challenge traditional business models that rely on investment income to supplement underwriting profits; this is particularly acute for life and pension insurers. Inflation and currency volatility can erode the real value of premiums and claims reserves, making long-term liabilities harder to match with assets. Demographic shifts, such as rapid aging in developed economies, require new products and pricing models for retirement, health, and long-term care, while emerging markets with youthful populations may face different challenges, such as high unemployment or lack of formal employment, limiting the pool of insurable individuals. Economic downturns, recessions, and high unemployment can also lead to increased lapses in policy renewals, defaults on premium payments, and reduced demand for voluntary insurance products (Pjanić et al., 2024).

The sector is increasingly exposed to the growing frequency and severity of catastrophic risks, including climate change-related natural disasters, pandemics, and geopolitical events. Traditional actuarial models often struggle to price and manage these emerging risks, leading to potential gaps in coverage or unaffordable premiums for consumers. Insurers must bolster their risk modeling capabilities and collaborate with governments and international agencies to design public-private risk-sharing mechanisms, such as catastrophe bonds or insurance pools. Failure to adapt may result in market withdrawal from high-risk areas, leaving individuals and communities vulnerable. Talent management and workforce transformation are also critical, yet often underestimated, challenges. The insurance industry faces an aging workforce, skills shortages in key areas such as data science and digital marketing, and difficulties

attracting younger talent due to perceptions of the sector as traditional or slow-moving. Upskilling, reskilling, and cultural change are necessary to drive innovation and meet evolving customer expectations. Companies must also address diversity, equity, and inclusion to build more creative and effective teams for the future (Nicholson, 2019).

Additional barriers include the challenge of distribution, especially in reaching rural or underserved populations; the prevalence of insurance fraud, which undermines profitability and public trust; and the need to continually invest in product innovation to address changing consumer needs and emerging risks, such as cyber threats and ESG (environmental, social, and governance) considerations. In conclusion, the insurance sector's challenges and barriers are multifaceted and interrelated, spanning trust, regulation, technology, market integration, economic and demographic trends, catastrophe risk, talent management, and product innovation. Overcoming these obstacles will require coordinated action by insurers, regulators, governments, and technology providers to foster a resilient, inclusive, and innovative insurance ecosystem that meets the needs of an increasingly complex world (Pjanić et al., 2024).

2.7 Review on Previous Studies

In 2019, a study by Hlaing Yin Mon investigated the insurance market in Myanmar, analyzing both the life and non-life sectors. The research was conducted across Myanmar and involved insurance companies, agents, and a diverse range of consumers as its study population. The primary aim was to evaluate the market structure, competitive landscape, and consumer behavior within the insurance industry. Key findings indicated that market liberalization had led to heightened competition and a wider array of insurance products, with some local firms starting to innovate in areas such as microinsurance and digital distribution. Nonetheless, the sector faced severe challenges due to low public awareness, persistent mistrust of insurers, and difficulties in reaching rural populations. The study also noted the lack of standardization in policy terms and claims processes, which contributed to consumer confusion. Limitations included the insufficient availability of secondary data and restricted access to confidential information from some insurers, which may have limited the depth of market analysis (Hlaing Yin Mon, 2019).

Another significant 2019 study by Zaw Myo Htun evaluated the impact of insurance market liberalization on the Myanmar insurance industry. The study covered the early years following the liberalization of the sector and examined the perspectives

of industry professionals and regulatory bodies. Its aim was to assess how policy reforms and the entry of foreign insurers had influenced market efficiency, competitiveness, and service quality. Among the key findings were that liberalization fostered a surge in foreign partnerships and technical collaborations, which improved underwriting standards and introduced international best practices. The study also revealed that product customization and digital service channels became more prevalent post-liberalization, benefitting urban consumers in particular. However, regulatory gaps emerged, especially in the oversight of new market entrants and digital innovations, and the industry's capacity for risk assessment and compliance lagged behind. As the study was conducted during the early phase of liberalization, its key limitation was the inability to evaluate long-term effects and industry adaptation (Zaw Myo Htun, 2019).

In 2024, Khin Zaw San conducted a comprehensive study on the development of the insurance sector in Myanmar. This research targeted the entire Myanmar insurance industry, involving representatives from local insurance companies, regulatory authorities, and other stakeholders. The study aimed to trace the historical progression, major reforms, and recent expansion of the sector. Notably, the research found that regulatory adjustments and the entry of foreign insurers significantly expanded product diversity and boosted service quality. It also highlighted the rapid rise of technology-driven solutions such as mobile and online policy servicing, which improved customer experience and operational efficiency. Furthermore, the study noted that insurance literacy programs and regulatory support for innovation were beginning to shift public perception positively. Limitations arose from incomplete sector data and gaps in documentation, especially regarding the most recent market changes (Khin Zaw San, 2024).

Also in 2024, Thein Htike carried out an in-depth study of the insurance industry in Myanmar. The research covered the nationwide insurance market, with a study population comprising insurance agents, executives, and policyholders. The main aim was to assess the structure, operational challenges, and performance of the sector. Key findings included that despite notable growth post-liberalization, the industry continued to grapple with uneven regulatory enforcement, underdeveloped distribution channels in rural areas, and a shortage of skilled insurance professionals. The study also uncovered emerging trends such as the adoption of digital claim management and the development of niche insurance products for small businesses and agriculture.

However, the rapidly evolving regulatory framework and limited access to private sector data presented challenges for the research, limiting the ability to generalize its conclusions over time (Thein Htike, 2024).

A 2024 study by Myint Naing focused on factors affecting the operational performance of insurance companies in Myanmar. This research included both local and foreign insurance firms, with managers and operational staff providing the main input. The study aimed to identify the key drivers and barriers to operational efficiency within the sector. Among the important findings were that talent development and ongoing training, effective use of technology, and adherence to evolving regulatory requirements were crucial for performance improvement. The study also emphasized the role of inter-company collaborations and knowledge transfer in enhancing operational standards. Additionally, customer-centric approaches and digitalization were found to be transforming client engagement and retention. However, reliance on self-reported survey data introduced the possibility of bias and limited the generalizability of the results (Myint Naing, 2024).

In 2024, Wai Phyo Aung conducted a study on public awareness and perception of insurance services in Myanmar. The study targeted a broad cross-section of the Myanmar population, with an emphasis on both current and prospective policyholders. The primary aim was to gauge awareness levels, perceptions, and attitudes regarding insurance products and services. Key findings showed that while awareness was steadily rising, especially in urban centers, significant misconceptions persisted, including beliefs about the complexity and reliability of insurance. The research also found that word-of-mouth and personal recommendations played a crucial role in influencing insurance uptake, and that targeted educational campaigns and transparent communication were effective in building trust. Limitations included the urban-centric sample, which may not fully represent the perspectives of rural communities, and potential response biases in self-reported attitudes (Wai Phyo Aung, 2024).

CHAPTER III

OVERVIEW OF INSURANCE INDUSTRY DEVELOPMENT IN MYANMAR

Myanmar's insurance industry has experienced a remarkable transformation, evolving from a vibrant, foreign-invested market in the colonial era to a tightly controlled state monopoly, and more recently, to an emerging landscape of liberalization and private sector participation. This chapter provides a comprehensive overview of the pivotal legislative milestones, regulatory reforms, and market dynamics that have shaped the sector's growth and resilience. By tracing the year-by-year evolution of policies, industry structure, and market performance, the chapter highlights both the challenges and opportunities facing Myanmar's insurance sector as it adapts to economic modernization, regional competition, and new consumer needs. Through this exploration, readers will gain insight into how the sector's legal framework, regulatory bodies, and market participants have collectively contributed to building a foundation for long-term, sustainable development in Myanmar's insurance industry.

3.1 Evolution of Myanmar's Insurance Industry

Myanmar's insurance industry has origins that date back to the late nineteenth and early twentieth centuries, a period that coincided with British colonial rule. Between 1897 and 1940, the country emerged as a lively hub for insurance activity in the region, buoyed by the influx of foreign capital and a surge in commercial enterprises, particularly in shipping, agriculture, and trade. During these decades, approximately 110 insurance companies operated in the country, offering policies that covered maritime risks, fire, life, and motor vehicles, remarkable for the era and region. The scope and sophistication of the insurance offerings mirrored the economic dynamism of British Burma, where insurance was not just a tool for risk transfer but also a facilitator of economic development and international trade. The diversity of products available and the participation of both local and foreign insurers highlighted a relatively advanced market structure, setting Myanmar apart from many of its Southeast Asian neighbors at the time (GlobalData, 2025).

This flourishing phase of private sector-led growth in insurance was abruptly altered after independence, particularly in the wake of political changes in the early

1950s. In 1952, following the rise of a socialist government, Myanmar initiated a comprehensive program of economic nationalization, with the explicit aim of consolidating key industries under state control. Insurance, deemed strategically important for national economic management and social welfare objectives, became a primary target of these reforms. The government methodically began consolidating insurance operations, and by 1959, all life insurance companies had been merged into the State Union Insurance Board. This watershed moment marked the beginning of a transition from a competitive, multi-player market to a single, state-run entity. The nationalization of the insurance sector not only dismantled the foundations of Myanmar's previously diverse insurance market but also signaled the state's intent to use insurance as a policy tool for socioeconomic planning (GlobalData, 2025).

The process of centralization and nationalization reached its zenith in 1964, when the government abolished all remaining private insurance companies, effectively ending private sector participation in insurance for decades. From this point on, Myanma Insurance, operating under the Ministry of Finance, became the sole provider of insurance products and services in the country. This monopoly lasted for nearly fifty years, during which time the industry stagnated due to a lack of competition, limited product innovation, and minimal consumer outreach. The absence of private players and foreign expertise stunted the industry's growth and diversification, rendering it unable to keep pace with the rapid evolution of insurance markets in neighboring countries such as Thailand and Malaysia. This period was also characterized by low levels of insurance awareness among the public, restricted product lines largely focused on statutory requirements, and negligible penetration in both urban and rural markets (GlobalData, 2025).

After decades of state monopoly, the winds of change began to blow in the 1990s, as Myanmar's leaders recognized the need for economic reforms to stimulate growth and attract foreign investment. In 1996, the enactment of the Insurance Business Law was a landmark regulatory development. The law established the Insurance Business Supervisory Board (IBSB), the country's first dedicated insurance regulator, tasked with overseeing industry conduct, setting capital adequacy standards, licensing underwriters and brokers, and providing a framework for the orderly operation of the insurance market. The establishment of the IBSB was an important institutional step, introducing international best practices to regulatory oversight, though it did not immediately open the market to private competition. During this period, the state

continued to dominate the insurance landscape, but the groundwork was being laid for broader reforms, as policymakers began to appreciate the importance of a robust insurance sector for economic resilience and investor confidence (GlobalData, 2025).

A major breakthrough came in late 2012, when the IBSB officially reopened the insurance market to private firms for the first time since the 1960s. This move was part of a broader wave of economic liberalization and reform aimed at integrating Myanmar into the global economy and strengthening the domestic financial sector. Of the 20 companies that applied for licenses, 12 were approved, including subsidiaries and joint ventures, signaling restored investor confidence and heightened interest in Myanmar's untapped insurance market. Among these 12, five companies commenced operations in 2013, while the remaining firms entered the market the following year. Notably, only three of these new entrants were granted licenses to offer life insurance, illustrating the regulator's cautious, phased approach to liberalization. The reentry of private insurers reintroduced competition and injected much-needed capital and expertise, but the industry remained in its infancy in terms of product range, consumer awareness, and regulatory sophistication (GlobalData, 2025).

Despite the introduction of private insurance companies and gradual reforms, Myanmar's insurance market has remained underdeveloped, with penetration rates among the lowest in Southeast Asia. According to data from the 2014 census, Myanmar's population was approximately 51.5 million, and subsequent estimates suggest it grew to nearly 54 million. Yet by 2017, insurance penetration remained extremely low: non-life insurance at just 0.07% and life insurance at a mere 0.01%, for a combined figure of 0.08%. This compares unfavorably with neighboring countries where insurance sectors have benefited from sustained growth and diversification. The underdevelopment is further reflected in the insurance sector's minimal contribution to public finances and overall economic activity, highlighting substantial untapped potential and the need for greater consumer education and product innovation (GlobalData, 2025).

To put these figures in regional context, Cambodia in 2017 registered a non-life insurance penetration of 0.35%, Laos reached 0.44% for non-life and 0.01% for life insurance, and Vietnam achieved 0.74% for non-life and 0.82% for life insurance. These numbers underscore the extent to which Myanmar lags behind its peers, not just in terms of penetration but also in industry contribution to national income. Myanma Insurance, the state-owned insurer, estimated in the same year that the sector accounted

for just 0.07% of total government revenue, a stark indicator of its marginal economic role. The low level of consumer engagement with insurance products is attributable to a combination of factors, including limited public trust, insufficient financial literacy, the prevalence of informal risk-sharing mechanisms, and a general lack of tailored insurance offerings for both individuals and businesses (GlobalData, 2025).

Myanmar's macroeconomic context further illustrates the opportunities and constraints facing the insurance sector. In 2016, GDP per capita was estimated at just USD 1,232, a figure well below the threshold, often cited at around USD 5,000, at which insurance demand typically accelerates, driven by the expansion of the middle class and increasing household wealth. International experience suggests that as incomes rise, so does the appetite for risk protection through insurance. While Myanmar has not yet crossed this economic threshold, the gradual improvement in macroeconomic conditions, including rising incomes, urbanization, and an expanding services sector, points to significant latent demand for insurance products in the years ahead (GlobalData, 2025).

Urban areas, particularly Yangon, Mandalay, and Nay Pyi Taw, are expected to lead the next wave of insurance industry growth. These cities are home to higher-income populations, more sophisticated consumers, and a business environment conducive to financial innovation. Urban residents are more likely to have formal employment, access to banking and digital services, and greater exposure to financial education initiatives. As a result, they represent a critical target market for insurers seeking to introduce new products, enhance distribution channels, and promote insurance literacy. Moreover, these urban centers serve as hubs for commercial and industrial activity, further expanding the market for corporate insurance products such as property, liability, and health coverage (GlobalData, 2025).

Looking ahead, the outlook for Myanmar's insurance industry is one of cautious optimism. Continued legal and regulatory reforms, coupled with market liberalization and broader economic development, create a strong foundation for sectoral growth. The introduction of innovative products, digital distribution models, and customer-centric services offers insurers the opportunity to tap into vast underserved segments, particularly in rural areas and among small businesses. Collaborations among government agencies, private insurers, and civil society organizations will be crucial for building public trust, enhancing financial literacy, and fostering a culture of risk management. Additionally, the industry must prepare for emerging risks, such as those

associated with climate change, technological disruption, and global pandemics. With sustained policy support, strategic investment, and a focus on consumer needs, Myanmar’s insurance sector has the potential to become a key pillar of national economic development and social resilience in the coming decades (GlobalData, 2025).

Table 3.1 presents a clear chronology of the sector’s evolution, highlighting pivotal changes and their broader implications.

Table (3.1) Historical development of Myanmar's Insurance Industry

Year / Period	Development Process	Change	Implementation
1897–1940	Expansion and Diversification	Emergence of a vibrant insurance market	Over 110 insurance companies registered, offering diverse products (marine, fire, life, motor); strong foreign investment supported sector growth and economic development.
1952	Initiation of Nationalization	Socialist regime targets the private sector	Nationalization policies begin with insurance among the sectors being consolidated under state control, signaling a shift away from market competition.
1959	Centralization of Life Insurance	Creation of the State Union Insurance Board	All life insurance companies merged into a single, state-owned entity, marking a significant move towards a state-dominated industry structure.
1964	State Monopoly Established	Abolition of private insurance companies	All remaining private insurers abolished; insurance sector becomes a state monopoly under Myanma Insurance, stifling competition, innovation, and sector growth.
1996	Regulatory Reform	Enactment of Insurance Business Law	Insurance Business Supervisory Board (IBSB) was established under the Ministry of Finance, introducing formal regulation and oversight, although the market remained state-led.

2012 (late)	Market Liberalization Initiated	Opening to private sector participation	IBSB invited private insurers to apply for licenses; 20 companies applied, reflecting renewed investor confidence and signalling a shift toward sector liberalization.
2013	Reintroduction of Private Competition	Launch of private insurance operations	5 out of 12 licensed private companies commenced operations; reintroduced competition, increasing product variety and consumer choice.
2014	Sector Growth and Demographic Insight	Additional private insurers launch; census update	The remaining 7 licensed insurers entered the market; the national census estimated population at 51.5 million, highlighting significant market potential.
2015– 2016	Regional Benchmarking	Assessment of insurance penetration rates	Myanmar’s total insurance penetration at just 0.08%, lagging behind Cambodia, Laos, and Vietnam; revealed substantial untapped opportunity and need for sector reform.
2016	Economic Context	Analysis of GDP per capita	GDP per capita reached USD 1,232, still below the USD 5,000 benchmark associated with robust insurance sector expansion; indicated limited immediate sector growth.
2017	Industry Performance Assessment	Measurement of market share and government revenue	Myanma Insurance contributed only 0.07% to state revenue; gross premiums reached MMK 33.9 billion, underscoring the sector’s marginal economic impact.
2010– 2020 (Present)	Continued Liberalization and Innovation	Ongoing reforms, digitalization, and foreign entry	Urban areas present growth opportunities; ongoing liberalization, digital technologies, and foreign participation position the sector for future expansion and resilience.

Source: Myanmar Insurance (2025)

In the early years between 1897 and 1940, Myanmar experienced a golden age of insurance expansion and diversification, with over 110 companies active and strong foreign investment fueling economic development. The landscape shifted dramatically in 1952, as the socialist regime's nationalization policies began to consolidate the industry, steering it away from open market competition. By 1959, all life insurers had merged into the State Union Insurance Board, paving the way for a fully state-controlled industry. The move reached its peak in 1964 with the abolition of all private insurers, establishing Myanma Insurance as the sole provider, a shift that stifled competition and innovation for decades (Myanmar Insurance, 2025).

A significant turning point came in 1996 with regulatory reforms, notably the creation of the Insurance Business Supervisory Board (IBSB) under the Ministry of Finance. This step introduced formal oversight, though the sector remained state-dominated. The late 2012 initiation of market liberalization, when private companies were invited to apply for licenses, marked the beginning of renewed investor confidence and sector transformation. By 2013, five licensed private insurers had commenced operations, followed by an additional seven in 2014, coinciding with census data indicating a population of 51.5 million, underscoring vast market potential. Despite these advancements, Myanmar's insurance penetration remained minimal during 2015–2016, at just 0.08%, significantly lower than neighboring countries, which highlighted both the untapped market and the urgent need for further reform. The sector's limited scale was also apparent in 2016, with GDP per capita at USD 1,232, and in 2017, when Myanma Insurance accounted for only 0.07% of state revenue. Looking at the present decade, the industry is undergoing continued liberalization, digitalization, and attracting foreign participation, especially in urban areas. These ongoing changes suggest promising opportunities for growth and resilience, as the sector adapts to a more competitive and technologically advanced environment (Myanmar Insurance, 2025).

3.2 Insurance Business Regulatory Board (IBRB) in Myanmar

The Insurance Business Regulatory Board (IBRB) serves as the apex regulatory institution responsible for overseeing, guiding, and modernizing Myanmar's insurance industry. Established under the Insurance Business Law of 1996 and further supported by the Insurance Business Rules of 1997, the IBRB is vested with broad authority to regulate all insurance-related activities in the country. For many years, Myanmar's insurance landscape was dominated by the state-owned Myanma Insurance, with

private sector participation strictly prohibited until 2013. The enactment of the Insurance Business Law not only formalized the sector's regulatory framework but also set the stage for future liberalization, as economic reforms and the need for a competitive insurance market became increasingly apparent (MOPF, 2023).

A significant milestone in the evolution of Myanmar's insurance sector was reached in May 2013 when, under the authority of the IBRB, 11 citizen-owned insurance companies were granted licenses. This marked the first time in decades that private entities were allowed to operate alongside Myanmar Insurance, signaling the beginning of a new era of competition and private investment. The establishment of the Myanmar Insurance Association in November 2017 further illustrated the sector's maturation, providing a unified platform for industry advancement, professional development, and public engagement (MOPF, 2023).

The IBRB was reconstituted on March 9, 2021, in response to the growing complexity and dynamic nature of the insurance market in Myanmar. This restructuring was aimed at enhancing the Board's independence, operational effectiveness, and alignment with international best practices. Since its reconstitution, the IBRB has demonstrated its proactive approach by convening 31 meetings by March 2023, where it has deliberated on key regulatory issues, market developments, and strategic priorities for sector growth. Through its leadership, Myanmar's insurance sector has navigated significant policy shifts, such as market liberalization and the introduction of the Insurance Sector Liberalization Plan and Roadmap, which have opened the door to increased foreign investment and innovation (MOPF, 2023).

The liberalization plan led to the entry of both domestic and foreign insurance players. In November 2019, the IBRB approved licenses for five wholly foreign-owned life insurers, three joint venture (JV) life insurers, and three JV non-life insurers, followed by additional approvals in January 2023. By March 2023, the insurance landscape in Myanmar had diversified to include 27 licensed insurers, 40 approved insurance products, 33 representative offices, and four adjuster and surveyor companies, demonstrating the IBRB's commitment to fostering competition, product innovation, and sector inclusivity. The Board has also prioritized capacity building by licensing thousands of insurance agents, accrediting training centers, and supporting the continuous professional development of the industry's workforce (MOPF, 2023).

The IBRB's role extends beyond market supervision and licensing; it actively fosters international cooperation and the adoption of global standards. Collaboration

agreements with entities like the Insurance Institute of India and Thailand's Office of Insurance Commission have enabled Myanmar to benefit from technical assistance, capacity building, and information exchange. The hosting of significant regional events, such as the OECD Insurance Roundtable and the ASEAN Insurance Regulators' Meeting, underscores Myanmar's growing commitment to regional integration and regulatory harmonization (MOPF, 2023).

The core functions of the IBRB are comprehensive and strategically aligned with the development needs of Myanmar's insurance sector. Firstly, it is responsible for licensing and regulating all market participants, including insurers, agents, brokers, adjusters, and surveyors, ensuring that only qualified and reputable entities operate in the sector. The IBRB supervises the financial health, governance, and operational conduct of these entities by setting solvency requirements, monitoring compliance with statutory obligations, and conducting regular audits and inspections. It plays a vital role in safeguarding consumer interests by reviewing and approving insurance products, policy wordings, and marketing materials to ensure they are fair, transparent, and responsive to the needs of policyholders. The Board is also tasked with promoting a culture of professionalism in the industry, achieved through the accreditation of training and examination centers, the certification of agents, and the enforcement of ethical standards. Furthermore, the IBRB formulates and implements policies to drive market liberalization, encourage product innovation, and attract both domestic and foreign investment. It acts as the principal mediator in resolving consumer complaints and industry disputes, strengthening public trust and maintaining market integrity. On a broader scale, the IBRB represents Myanmar in international forums, advocating for best practices, fostering cross-border cooperation, and facilitating the transfer of knowledge and technology that are crucial for sectoral modernization and resilience. In summary, the Insurance Business Regulatory Board (IBRB) of Myanmar is pivotal to the country's insurance sector transformation. Through its leadership in regulation, market development, capacity building, and international cooperation, the IBRB not only ensures the stability and integrity of the insurance industry but also positions it as a dynamic contributor to Myanmar's broader economic development (MOPF, 2023).

3.3 Types of Insurance Licenses Issued by IBRB in Myanmar

The regulatory landscape of Myanmar’s insurance industry is shaped by a structured licensing framework implemented by the Insurance Business Regulatory Board (IBRB). As the principal authority overseeing sectoral operations, the IBRB is tasked with ensuring stability, transparency, and consumer protection within the rapidly evolving insurance market. To achieve these objectives, the IBRB issues a variety of insurance licenses, each tailored to specific functions and participants, from primary insurers and reinsurers to brokers, agents, and other intermediaries. This multi-tiered licensing regime not only fosters healthy competition and innovation but also enforces rigorous standards for financial solvency, corporate governance, and market conduct. Ultimately, the range of licenses issued by the IBRB reflects a commitment to building a resilient, inclusive, and well-regulated insurance sector that can meet the diverse needs of Myanmar’s individuals, businesses, and communities (MOPF, 2023).

Table 3.2 highlights the regulatory framework established by the Insurance Business Regulatory Board (IBRB) to ensure a well-organized, transparent, and stable insurance sector within the country. This framework supports a diverse range of market participants, each with distinct roles, requirements, and permitted activities, thereby shaping a comprehensive insurance ecosystem.

Table (3.2) Types of Insurance Licenses Issued by IBRB in Myanmar

License Type	Description	Key Requirements & Details	Examples of Products/Services
Life Insurance License	Authorizes entities to offer life insurance products	Minimum capital requirement, solvency margin, qualified management, approved products	Endowment, whole life, term life, savings, and unit-linked life insurance
Non-Life Insurance License	Permits the offering of general insurance products	Minimum capital, risk assessment systems, product approval, claims management protocols	Motor, fire, marine, property, liability, health, personal accident, and travel insurance

Composite Insurance License	Allows offering both life and non-life products	Higher capital threshold, compliance with dual regulations, and broader reporting standards	Full range of life and non-life products
Reinsurance License	Permits companies to accept insurance risk from other insurers	Specialized expertise, sufficient capital, risk diversification, and international standards	Treaty and facultative reinsurance
Insurance Agent License	Authorizes individuals/corporations to sell insurance products	Completion of training, passing IBRB exams, and adherence to the code of conduct	Intermediary for life or non-life insurance
Insurance Broker License	Allows firms to act as intermediaries between clients and insurers	Demonstrated industry experience, financial soundness, and professional indemnity insurance	Risk assessment, placement, and advisory services
Adjuster & Surveyor License	Permits professionals to assess insurance claims and losses	Technical qualifications, experience in claims handling, and compliance with IBRB standards	Claim assessment, damage surveys, and reporting
Representative Office License	Authorizes foreign insurers to set up non-operating offices	Approval from IBRB, limited to market research and liaison activities	Market research, networking, and information dissemination

Source: MOPF (2023)

The "Life Insurance License" is a foundational authorization that enables insurance entities to market and sell life-related insurance products, such as endowment, whole life, term life, savings, and unit-linked policies. The licensing process is stringent, reflecting the critical importance of protecting long-term policyholders' interests. Companies seeking this license must demonstrate robust financial health through a minimum capital requirement and maintain an adequate solvency margin, key indicators of their ability to pay out claims even in adverse

circumstances. Qualified management teams with demonstrated expertise in life insurance operations are also required, ensuring that companies are professionally run and capable of meeting industry standards. Moreover, all life insurance products offered must be reviewed and approved by the IBRB, which assesses policy terms, benefit structures, and marketing materials to ensure fairness and transparency. This approach not only safeguards consumers but also promotes confidence in the sector, encouraging greater uptake of life insurance as a tool for financial security and long-term savings among Myanmar's population (MOPF, 2023).

The "Non-Life Insurance License" is designed for companies specializing in general insurance products, which protect individuals and businesses against a wide range of risks unrelated to life or longevity. These products include motor, fire, marine, property, liability, health, personal accident, and travel insurance, each addressing specific consumer and commercial needs. To secure this license, companies must meet minimum capital thresholds to ensure claims-paying capacity, establish rigorous risk assessment and underwriting systems to evaluate potential exposures, and implement comprehensive claims management protocols to guarantee efficient and fair claims settlement. Product approval by the IBRB is mandatory, which helps maintain product quality and consumer protection. Non-life insurers play an essential role in supporting economic activity by enabling risk transfer and financial resilience for households, enterprises, and public institutions. The existence of robust non-life insurance companies also encourages investment and innovation across sectors by mitigating the impact of unforeseen losses (MOPF, 2023).

The "Composite Insurance License" is a more encompassing authorization, allowing companies to offer both life and non-life insurance products under one corporate structure. This type of license is typically reserved for large, highly capitalized insurers capable of meeting higher financial and operational standards. In addition to a significantly elevated capital requirement, composite insurers must comply with the regulatory obligations governing both life and non-life business lines, including dual reporting, risk management, and governance frameworks. The ability to offer a full range of insurance services promotes one-stop solutions for consumers and businesses, enhances cross-selling opportunities, and stimulates competition. Composite insurers are well-positioned to innovate and tailor bundled products that address the evolving needs of Myanmar's growing middle class and corporate sector (MOPF, 2023).

The "Reinsurance License" is targeted at specialized companies that underwrite insurance risks transferred from primary insurers. Reinsurers play a pivotal role in stabilizing the insurance market by absorbing large or catastrophic losses and spreading risk internationally. To qualify for this license, firms must possess advanced actuarial and risk management capabilities, substantial capital reserves, and adherence to international risk diversification standards. They often participate in treaty and facultative reinsurance agreements, supporting primary insurers by offering both routine and custom risk-sharing arrangements. The presence of strong reinsurers in Myanmar enhances the overall resilience of the insurance sector, encourages prudent underwriting, and enables local insurers to accept higher-value risks while maintaining financial stability (MOPF, 2023).

The "Insurance Agent License" authorizes individuals or corporate entities to act as intermediaries, marketing and selling insurance products on behalf of licensed insurers. Agents serve as the face of the insurance industry in communities, providing personalized advice, product recommendations, and policy servicing. To obtain this license, candidates must complete approved training programs, pass standardized examinations administered by the IBRB, and adhere to a strict code of conduct designed to protect consumers and uphold professional integrity. Agents play a critical role in expanding insurance penetration, particularly in underserved urban and rural areas, by raising awareness, simplifying complex products, and helping potential clients navigate their insurance choices. The IBRB's licensing and oversight of agents ensures that the intermediary network is trustworthy, knowledgeable, and accountable (MOPF, 2023).

The "Insurance Broker License" permits corporate entities to act as professional intermediaries between clients and insurers. Brokers are distinguished by their client-centric approach, offering unbiased advice, risk assessment, and insurance placement services tailored to the specific needs of individuals and businesses. To secure a broker license, firms must demonstrate substantial industry experience, maintain robust financial health, and obtain professional indemnity insurance to protect against errors or omissions in their advisory work. Brokers are instrumental in supporting large-scale risk placements, complex commercial insurance transactions, and international coverage needs. Their expertise helps clients secure the most appropriate and cost-effective policies, enhancing the overall efficiency and competitiveness of Myanmar's insurance market (MOPF, 2023).

The "Adjuster & Surveyor License" is designed for professionals tasked with evaluating insurance claims and losses. Adjusters and surveyors are independent experts who investigate, assess, and report on the validity and extent of insurance claims, ensuring fair settlements for both insurers and policyholders. To be licensed, individuals or firms must possess specialized technical qualifications, proven experience in claims management, and compliance with the operational standards set by the IBRB. Their work is crucial in maintaining public trust in the insurance process, promoting prompt and equitable claims resolution, and supporting the credibility of the sector (MOPF, 2023).

Finally, the "Representative Office License" enables foreign insurers to establish a presence in Myanmar for non-operating purposes. These offices are not authorized to sell insurance but play an important role in conducting market research, building industry relationships, and facilitating information dissemination. Approval from the IBRB is required, with strict limitations on permissible activities. Representative offices contribute to knowledge transfer, sector development, and the gradual integration of Myanmar's insurance industry with global best practices. In summary, the Table demonstrates the IBRB's comprehensive and structured approach to insurance sector regulation in Myanmar. Each license type is carefully defined with tailored requirements and permitted activities, ensuring that market participants are competent, financially sound, and aligned with the broader goals of sector growth, consumer protection, and sustainable development. This licensing regime provides a solid foundation for the continued evolution and modernization of Myanmar's insurance industry (MOPF, 2023).

3.4 Insurance Business Rules and Laws In Myanmar

The legal landscape for Myanmar's insurance sector is fundamentally shaped by two pivotal statutes: the Myanmar Insurance Law of 1993 and the Insurance Business Law of 1996. The Myanmar Insurance Law of 1993 was a landmark legislative act, passed during a period when the country's economy and financial systems were tightly controlled by the state. This law formally established Myanma Insurance as the sole, state-owned provider, granting it exclusive rights to conduct all classes of insurance business, including life, general (non-life), reinsurance, and specialized insurance services. The statute meticulously defined the authority, roles, and responsibilities of Myanma Insurance, covering the entire insurance value chain,

underwriting, policy issuance, premium collection, claims assessment and settlement, investment management of policyholder funds, and systematic reporting to the Ministry of Finance. The law imposed strict state oversight and centralized all risk management and insurance capital within government control, thereby excluding private and foreign participation. With the sector under a state monopoly, the 1993 law's primary focus was on safeguarding state interests, maintaining basic regulatory order, and ensuring that insurance activities aligned with state economic and social planning objectives. It also implicitly set the scene for future liberalization by codifying a legal foundation for insurance activities and clarifying permissible business boundaries, which would be critical when the country later transitioned toward a more market-driven economy (Myanmar Law Library, 2025).

The next major development in the evolution of Myanmar's insurance sector came with the enactment of the Insurance Business Law of 1996, which signaled the government's gradual policy shift toward market openness and modernization, in line with broader economic reforms. This law was especially significant because it established the Insurance Business Supervisory Board (IBSB), Myanmar's first dedicated insurance regulator. The IBSB was endowed with comprehensive powers to license, supervise, and regulate both insurers and insurance intermediaries, such as agents and brokers. The law mandated that all new insurance companies meet minimum capital requirements, a crucial measure to ensure financial soundness and stability in the sector. It outlined clear, objective criteria for licensing, including shareholder qualifications, business plans, solvency margins, and board governance standards, so that only credible and well-capitalized insurers could enter the market. Importantly, the 1996 law also introduced regulatory provisions for licensing insurance agents and brokers, effectively paving the way for the emergence of a multi-channel distribution system and more sophisticated insurance marketing. The law set out stringent rules for product approvals, periodic financial reporting (including actuarial assessments and audited accounts), and established a framework for dispute resolution between policyholders and insurers, a critical step toward building transparency, accountability, and public trust. These comprehensive reforms laid the groundwork for private sector participation, which would eventually begin in earnest over a decade later, helping to transition Myanmar's insurance sector from a purely state-dominated system to a more diversified and competitive marketplace (Myanmar Law Library, 2025).

To operationalize and provide practical effect to the 1996 law, the Insurance Business Rules were promulgated in 1997. These rules delivered detailed, actionable regulations governing the day-to-day conduct of insurance business in Myanmar, bridging the gap between broad legislative principles and real-world industry practices. For instance, the rules specify the step-by-step procedures for applying for insurance licenses, including required documents, regulatory approval processes, and payment of licensing fees. They detail how to calculate and regularly review solvency margins, which are crucial for protecting policyholders by ensuring insurers can meet their obligations even in adverse scenarios. The rules also standardize the format and frequency of financial, actuarial, and statistical reporting, ensuring that the IBSB has access to reliable and timely data for effective supervision. Additionally, the Insurance Business Rules address the internal governance of insurance companies by setting standards for board composition, corporate governance, risk management, and internal controls. They require the creation and maintenance of separate accounts for different classes of insurance to prevent cross-subsidization and ensure transparency in the management of policyholder funds. The rules also include explicit requirements for customer complaint handling, product registration, and ongoing product approval processes. By articulating these operational details, the Insurance Business Rules ensure that the market operates with high standards of policyholder protection, ethical conduct, and market integrity, and that insurers are held to robust benchmarks of transparency and accountability (Myanmar Law Library, 2025).

Crucially, the combined effect of the Myanmar Insurance Law, the Insurance Business Law of 1996, and the Insurance Business Rules of 1997 has enabled the country's insurance sector to gradually transition from a closed, state-dominated system to a more dynamic, competitive, and inclusive marketplace. This evolving legal and regulatory framework has not only maintained the necessary checks and balances for government oversight but has also fostered a business environment conducive to private investment, innovation, and the introduction of new insurance products and services. As the industry continues to evolve, driven by digital technology adoption, changing consumer expectations, and integration with international insurance markets, ongoing amendments and regulatory enhancements are both expected and necessary. These changes are particularly important for aligning Myanmar's insurance sector with global best practices, such as risk-based supervision, consumer protection standards, and anti-money laundering measures. Ultimately, the legal framework supports the sector's

resilience and relevance in a rapidly changing economic landscape, reinforcing its potential to become a significant contributor to Myanmar’s long-term financial stability and socioeconomic development (Myanmar Law Library, 2025).

3.5 Evolution of Insurance Companies in Myanmar

The evolution of insurance companies in Myanmar reflects a dynamic journey from strict state control to increasing private sector participation and international collaboration. The sector's landscape has changed dramatically over the past decade, shaped by regulatory reforms, market liberalization, and the entry of both domestic and foreign players. The transformation of Myanmar’s insurance sector over the past decade is a striking example of how policy reforms, regulatory modernization, and opening to both domestic and foreign investment can reshape a market. As Table 3.3 illustrates, the landscape in 2010 was static, with the Myanmar Insurance Corporation (MIC) as the only insurer. MIC’s monopoly meant that insurance penetration was low, access to products was limited, and the industry was largely unfamiliar to the broader public. The lack of competition also resulted in minimal innovation and slow responsiveness to changing consumer and business needs. This situation reflected the legacy of decades of central planning and restrictive policies that had kept the sector insulated from global trends and best practices (Myanmar Insurance, 2025).

Table (3.3) Evolution of Insurance Companies in Myanmar by Year and Type

Year	Sector	Notable Companies (Examples)	Number of Companies	Key Developments / Remarks
2010	Public	Myanmar Insurance Corporation (MIC)	1	MIC remains the sole state-owned insurer from; pre-liberalization era.
2012	Private	AYA Myanmar Insurance	1	First private license issued post-liberalization.
2013	Private	M Insurance, Grand Guardian Insurance, IKBZ Insurance, GGI, and others	6	Further market opening; several private insurers begin operations.

2015	Private	Additional insurers approved by IBRB	10	Continued approval of private insurers, reflecting market growth.
2018	Private	Myanmar National Insurance, Pillar of Truth Insurance, etc.	15	New entrants expand private sector presence.
2020	Private	11 life and 12 non-life insurers, including foreign joint ventures	23	Significant expansion; foreign JVs officially join the market.
2022	Public	Myanmar Insurance Corporation (MIC)	1	MIC continues as the only public insurer.
2022	Private	AYA Myanmar Insurance, M Insurance, Myanmar National Insurance, KBZ Life, and others	24 (approx.)	Largest number of private insurers to date, including major players.

Source: Myanmar Insurance (2025)

The government's decision in 2012 to grant a license to AYA Myanmar Insurance was a watershed moment. This move not only ended a long-standing monopoly but also signaled to investors and the public that Myanmar was ready for economic modernization. The entry of AYA Myanmar Insurance marked the beginning of a new era characterized by increased investment, product development, and the gradual introduction of international insurance standards. It demonstrated the government's willingness to encourage private enterprise and laid the groundwork for broader financial sector reforms (Myanmar Insurance, 2025).

As the sector liberalized further in 2013, the arrival of additional private insurers, such as M Insurance, Grand Guardian Insurance, and IKBZ Insurance, set in motion a process of diversification and competition. The presence of multiple providers quickly led to an expansion of product offerings, as companies sought to differentiate

themselves through customer service, specialized policies, and innovative marketing. This competitive dynamic helped stimulate public interest in insurance, driving outreach campaigns, and increasing awareness about the importance of insurance for financial planning and risk management (Myanmar Insurance, 2025).

The steady growth in the number of private insurers from 10 in 2015 to 15 in 2018 reflected growing confidence in the regulatory environment and the market's profitability. New entrants brought additional capital, broadened the distribution network, and reached deeper into both urban and rural markets. The Insurance Business Regulatory Board (IBRB) played a crucial role by ensuring robust licensing standards, supporting professional development, and fostering a level playing field. These efforts collectively contributed to a more stable, reliable, and accessible insurance sector, which began to attract the attention of international players and joint ventures (Myanmar Insurance, 2025).

The most significant leap came in 2020, when the number of private insurance companies rose to 23, supported by the entry of foreign joint venture insurers. This development represented not just growth in numbers but a qualitative leap in market sophistication. The involvement of international brands brought advanced underwriting techniques, digital technology, and global best practices in risk management and customer service. Moreover, these partnerships enhanced the sector's resilience, introduced new types of insurance such as microinsurance and bancassurance, and fostered knowledge transfer to local partners. By 2022, with 24 private insurers operating alongside the enduring MIC, Myanmar's insurance sector had become one of the most dynamic in Southeast Asia, positioning itself as a promising industry for further foreign investment, regulatory innovation, and consumer outreach (Myanmar Insurance, 2025).

Table 3.4 offers a detailed view of the evolution and key milestones in the private insurance segment by naming the companies that have shaped the industry's trajectory. The first wave of private insurers in 2013, including AYA Myanmar Insurance, Grand Guardian Insurance (GGI), IKBZ Insurance, M Insurance, First National Insurance, and Excellent Fortune Insurance (EFI), played a pioneering role. These companies not only introduced competition but also imported new business models, corporate governance structures, and customer engagement strategies. Their presence established benchmarks for professionalism and transparency that would influence subsequent entrants (Myanmar Insurance, 2025).

Table (3.4) Private Insurance Companies in Myanmar at Key Milestones

Year	Number of Private Insurers	Names of Insurance Companies (examples and as available)
2013	6	1. AYA Myanmar Insurance
		2. Grand Guardian Insurance (GGI)
		3. IKBZ Insurance
		4. M Insurance
		5. First National Insurance
		6. Excellent Fortune Insurance (EFI)
2015	10	The above 6 plus:
		7. Pillar of Truth Insurance
		8. Citizen Business Insurance Public Co.
		9. Capital Life Insurance
2018	15	10. Global World Insurance
		The above 10 plus:
		11. Myanmar National Insurance
		12. Young Insurance Global
		13. Royal Insurance
14. Akary Insurance		
2020	23	15. Aung Thitsar Oo Insurance
		The above 15 plus:
		16. Prudential Myanmar Life Insurance (JV)
		17. AIA Myanmar Life Insurance (JV)
		18. Chubb Life Myanmar (JV)
		19. Dai-ichi Life Insurance Myanmar (JV)
		20. Sun Life Insurance (JV)
		21. Grand Guardian Nippon Life Insurance (JV)
		22. KBZ MS General Insurance (JV)
23. Capital Taiyo Life Insurance (JV)		
2022	24 (approx.)	The above 23 plus:
		24. Additional new entrant (e.g., new licenses or consolidation/rebranding, such as further expansions by KBZ Life or others)

Source: Myanmar Insurance (2025)

As the sector grew to 10 private insurers by 2015, the market welcomed a broader variety of players such as Pillar of Truth Insurance, Citizen Business Insurance Public Co., Capital Life Insurance, and Global World Insurance. These newcomers diversified the market further, serving a wider spectrum of clients, including SMEs, industrial enterprises, and emerging middle-class households. The expansion drove improvements in agent training, claims management, and risk assessment, with insurers competing to build trust and credibility in a market that was still developing consumer confidence in insurance products (Myanmar Insurance, 2025).

The surge to 15 private insurers in 2018 brought even greater diversity, with firms like Myanmar National Insurance, Young Insurance Global, Royal Insurance, Akary Insurance, and Aung Thitsar Oo Insurance expanding their reach. This period saw insurers experimenting with digital platforms, mobile insurance distribution, and targeted products for sectors such as agriculture, health, and SMEs. Companies started to focus on financial inclusion, aiming to extend coverage to rural and previously unserved communities, thus supporting broader national development objectives (Myanmar Insurance, 2025).

The addition of foreign joint ventures in 2020, including Prudential, AIA, Chubb, Dai-ichi, Sun Life, Grand Guardian Nippon Life, KBZ MS General, and Capital Taiyo Life Insurance, marked a turning point. Their entry accelerated the adoption of international standards, compliance protocols, and risk-based pricing. These JV insurers brought new investment, international expertise, and a global perspective, while also driving local capacity-building through staff training and technology transfer. This collaboration between local and foreign entities positioned Myanmar as a more attractive destination for further investment and regulatory cooperation within ASEAN and beyond (Myanmar Insurance, 2025).

By 2022, with about 24 private insurers operating, the market reached a new level of maturity. The presence of both established domestic firms and reputable international brands fostered a competitive environment ripe for innovation, product customization, and digital transformation. The insurance sector's evolution, as seen through the changing list of private companies and their milestones, underscores Myanmar's progress from a closed, state-run system to a dynamic, diversified, and increasingly globalized industry (Myanmar Insurance, 2025).

3.6 Types of Insurance Permitted in Myanmar

The insurance sector in Myanmar is underpinned by a robust regulatory framework that defines not only who can provide insurance but also the range of insurance products that can be marketed and sold. This approach ensures that both individual and business customers have access to comprehensive and relevant protection against a variety of risks, ranging from life and health to property, liability, and commercial exposures. Table 3.5 demonstrates the breadth and structure of permitted insurance types in Myanmar, reflecting both international best practices and adaptations to local needs and risks. The diversity of these offerings highlights the sector’s evolution from a state monopoly to a dynamic industry poised to support Myanmar’s economic modernization and social welfare initiatives (Myanmar Insurance, 2025).

Table (3.5) Types of Insurance Permitted in Myanmar

Insurance Type	Main Subtypes/Categories	Policy Features & Coverage Details	Typical Customers / Notes
Life Insurance	Endowment (Single Premium, Short-Term, Special Purpose), Term Life (Group, Seaman, Snakebite, Shore Job, Farmers’, Public Term, Health, Sportsmen)	Provides financial protection and savings for individuals and families. Endowment policies pay a lump sum either at death or after a set term. Special purpose policies serve government staff, seamen, athletes, and others. Term life covers for a specific period and includes unique plans (e.g., snakebite, health, farmers). Benefits include death payout, maturity benefit, total/permanent disability cover, and hospitalization. Public and government employee products are often compulsory and offer tax-deductible premiums.	Individuals, families, government staff, specialized groups (farmers, seafarers, athletes)

Non-Life (General) Insurance	Miscellaneous, Fire, Marine, Property, Motor, Travel, Personal Accident, Business	Covers material losses and liabilities arising from accidents, disasters, and unforeseen events. Non-life insurance includes:	Businesses, vehicle owners, homeowners, travellers, employers, banks, manufacturers, SMEs
		<ul style="list-style-type: none"> • Fire Insurance: Protection against fire, explosions, riots, and “named perils” with options for earthquake and natural disaster add-ons. 	
		<ul style="list-style-type: none"> • Marine Insurance: Marine hull (ships) and cargo (goods in transit) insurance; covers loss/damage by sea, air, or land. 	
		<ul style="list-style-type: none"> • Motor Insurance: Compulsory third-party liability, plus optional comprehensive coverage against accidents, theft, and natural disasters. 	
		<ul style="list-style-type: none"> • Miscellaneous: Includes burglary, engineering, liability, fidelity, cash-in-transit, and more. 	
		<ul style="list-style-type: none"> • Property Insurance: Covers buildings, equipment, inventory, and sometimes loss of profits. 	
		<ul style="list-style-type: none"> • Travel Insurance: Accident, injury, medical, and trip interruption for travelers. 	
		<ul style="list-style-type: none"> • Personal Accident: Payout for accidental death or disability. Business insurance includes workers’ compensation, deposit insurance, credit guarantees, and equipment breakdown. 	

Fire Insurance	Fire & Allied Perils, Burglary, Combined Property	Covers financial loss from damage or destruction of property due to fire, explosions, lightning, riots, natural disasters, and more. Can be extended to include theft, earthquake, and business interruption. “Named peril” coverage means only specified risks are insured. Exclusions (like war) are clearly stated.	Homeowners, businesses, factories, landlords
Marine Insurance	Marine Cargo, Marine Hull & Machinery	Marine cargo insurance protects goods during transit by sea, river, or road. Offers “All Risks” or “Total Loss Only” coverage, with rates based on transport and cargo type. Hull & Machinery covers ship structure, engines, and electronics, protecting against total or partial loss by accident or disaster.	Traders, shipping companies, logistics firms
Motor Insurance	Comprehensive, Third-Party Liability	Compulsory for all vehicles. Third-party covers legal liability for injuries or damage to others. Comprehensive covers your own vehicle against accidents, theft, fire, and natural disasters. Premiums depend on value, usage, and risk profile.	Vehicle owners (private, commercial)
Personal Accident Insurance	-	Pays out for accidental death, disability, or injury. May include medical expenses, weekly compensation, and specific injury benefits. Used for both individuals and as part of travel insurance.	Individuals, travellers, and employees

Health Insurance	Individual, Group, Critical Illness	Covers medical expenses from illness, hospitalization, outpatient care, and critical illnesses. Often provided by both public and private insurers. Premiums vary by age, health, and coverage. Some plans require using specific medical networks.	Individuals, families, employers
Business Insurance	Workmen's Compensation, Deposit, Credit Guarantee, Fidelity, Cash-in-Transit, Machinery/Equipment	Protects businesses against a range of risks, including employee injury (workmen's compensation), theft or fraud (fidelity/cash-in-transit), loan defaults (credit guarantee), bank deposits (deposit insurance), and equipment breakdown. Premiums and eligibility depend on business type, risk, and coverage amount.	Businesses, banks, cooperatives, and factories

Source: Myanmar Insurance (2025)

Life Insurance in Myanmar encompasses an impressive variety of policy types and targeted products, designed to address the diverse needs of individuals, families, and specialized groups across the country. Traditional life insurance offerings include endowment policies (with options for single premium, short-term, and special purpose variants), which provide both a savings component and life cover, paying out a lump sum either on policy maturity or upon the policyholder's death. These savings-oriented products are especially valuable in markets where access to formal financial services may be limited, allowing policyholders to accumulate wealth while securing their family's future. The sector also offers term life policies tailored to specific groups, such as group life for employees, seaman life, shore job, and snakebite insurance, addressing occupational and environmental risks unique to Myanmar. Notably, policies like Farmers' Life Assurance and Sportsmen Life Insurance reflect the country's sensitivity to rural and occupational hazards. Many of these products also offer additional benefits, such as payouts for total or permanent disability, hospitalization, and even compulsory

group life coverage for government employees, with premiums that may be tax-deductible. Such diversity ensures the integration of insurance as a core component of personal and public financial protection (Myanmar Insurance, 2025).

Non-Life (General) Insurance in Myanmar is equally broad, providing targeted risk management solutions for property, commercial assets, vehicles, travelers, and more. This category includes traditional products such as fire, marine, motor, and property insurance, alongside specialized offerings like travel, personal accident, and various miscellaneous lines. Fire insurance, for instance, is critical for businesses and homeowners, protecting against losses from fire, explosions, lightning, and a host of natural disasters. Additional “named peril” options, such as earthquake or riot coverage, can be added to tailor the policy to the client’s risk profile. Marine insurance, divided into marine hull (ship coverage) and marine cargo (goods in transit), is vital for Myanmar’s import-export sector, providing financial protection for logistics firms, shipping companies, and traders operating in an environment exposed to weather, piracy, and accident risks. Motor insurance is legally required for all vehicles and covers not only liability to third parties but also comprehensive risks such as theft, vandalism, and natural disasters. Miscellaneous insurance products, such as burglary, fidelity, engineering, and cash-in-transit, support the operational resilience of businesses, SMEs, and financial institutions, while property insurance may also include loss of profits, helping businesses recover from disruptive incidents. This wide range of non-life offerings ensures that the insurance sector acts as a financial “shock absorber” in the face of Myanmar’s evolving risk landscape (Myanmar Insurance, 2025).

Fire Insurance is a particularly important subset of general insurance and is widely purchased by both individuals and businesses in Myanmar. Coverage is organized under fire and allied perils, burglary, and combined property insurance policies, each addressing specific needs. Fire and allied perils policies guard against not only the destructive force of fire but also related risks such as explosions, lightning, riots, and major natural disasters like cyclones and floods. Combined property insurance offers bundled protection, streamlining the process for property owners with diverse risk concerns. “Named peril” policies define exactly what is covered, offering clarity and certainty to customers, while specifically excluding high-risk events such as war. The ability to add riders for theft, earthquake, or business interruption makes fire insurance exceptionally flexible. These products are essential tools for homeowners,

landlords, factories, and commercial enterprises that would otherwise face crippling losses in the event of major property damage, underpinning the stability of Myanmar's urban, industrial, and agricultural sectors (Myanmar Insurance, 2025).

Marine Insurance is a cornerstone of Myanmar's role in regional and global trade. Marine cargo insurance protects goods in transit, by sea, river, or road, against a spectrum of risks, ranging from accidental loss and theft to damage from storms or mishandling. Options are available for both "All Risks" and "Total Loss Only" coverage, allowing businesses to balance premium costs and risk tolerance. Marine hull and machinery insurance covers the ships themselves, including structural and mechanical failures, which is crucial for shipping companies investing in costly vessels and equipment. These policies typically require thorough risk assessment and valuation, often involving surveys and technical appraisals. Premiums are set according to the type and value of the cargo or vessel and the route's risk profile. Marine insurance in Myanmar thus provides vital financial security for traders, shipping firms, and logistics providers, supporting the country's ambitions as a trade and logistics hub (Myanmar Insurance, 2025).

Motor Insurance is mandatory for all vehicle owners in Myanmar, playing a critical role in enforcing road safety and public accountability. The main types are third-party liability and comprehensive insurance. Third-party liability is a legal requirement, ensuring that victims of road accidents receive compensation for injuries or property damage. Comprehensive insurance goes further, protecting the policyholder's own vehicle against a range of risks including collision, theft, fire, and natural disasters, an important safeguard in a country experiencing rapid urbanization and rising vehicle ownership. Premiums are carefully calibrated based on the vehicle's value, usage patterns, and driver history, reflecting the insurer's need to maintain solvency while offering affordable protection. Motor insurance is thus fundamental to both personal financial security and the responsible growth of Myanmar's transportation sector (Myanmar Insurance, 2025).

Personal Accident Insurance is designed to provide swift financial assistance in the event of accidental injury, disability, or death. These policies may include payments for medical expenses, weekly compensation during periods of incapacity, and lump sum benefits for specific injuries such as fractures, burns, or loss of limbs. Often packaged with travel insurance or group life products, personal accident insurance is a practical tool for individuals with high-risk occupations or active lifestyles, as well as

employers seeking to protect their workforce. The simplicity and clarity of these policies make them accessible and valuable across broad population segments, supporting resilience in the face of unexpected events (Myanmar Insurance, 2025).

Health Insurance has become increasingly prominent in Myanmar's insurance portfolio in response to rising healthcare costs and changing demographics. Insurance options cover a spectrum of medical risks, from routine hospitalization and outpatient care to critical illnesses such as cancer or heart disease. Individual and group health plans are available, with the latter often offered as employee benefits by forward-thinking employers. Premiums are typically based on age, health status, and desired coverage levels, and many plans require the use of specific medical networks for treatment. The growth of health insurance also reflects public policy efforts to improve financial inclusion and health outcomes, as well as the insurance sector's response to pandemics and other emerging threats. As Myanmar's population ages and urbanizes, the demand for robust health insurance is expected to rise further (Myanmar Insurance, 2025).

Business Insurance in Myanmar is broad and multifaceted, reflecting the diverse risks faced by enterprises across the economy. Workmen's compensation insurance is required by law for employers, providing coverage for workplace injuries and fatalities. Deposit insurance and credit guarantee insurance are fundamental for banks and financial institutions, protecting them and their customers from insolvency or default. Fidelity and cash-in-transit insurance address risks of theft, fraud, and loss during financial operations, while machinery and equipment insurance cover breakdowns, operational failures, and production interruptions. Premiums and eligibility criteria vary according to the type and scale of business, the insured sum, and the specific exposures involved. Such insurance is indispensable for Myanmar's businesses, banks, cooperatives, and manufacturing sector, enabling them to operate with greater confidence and resilience in an increasingly complex and interconnected economy (Myanmar Insurance, 2025).

In summary, Table 3.5 showcases not only the range but also the sophistication of insurance products permitted in the Myanmar market. Each type and subtype of insurance addresses specific societal, economic, and operational risks, enabling individuals, families, and businesses to safeguard against adversity and plan for the future. The current regulatory environment encourages both local innovation and international best practice, ensuring that Myanmar's insurance sector continues to evolve in line with national development goals and global trends (Myanmar Insurance, 2025).

CHAPTER IV

SURVEY ANALYSIS

This chapter presents a comprehensive analysis of the dynamics and interrelationships within Myanmar's insurance sector over the past two decades, focusing on both life and non-life insurance segments. By examining key indicators such as the number of depositors, outstanding deposits, premium volumes relative to GDP, and their correlations with national economic growth, this chapter uncovers the underlying trends and drivers that have shaped the insurance landscape. Through detailed tables and statistical analyses, the chapter highlights not only the expansion of insurance activities but also the significant influence of macroeconomic factors on sectoral development. The following sections synthesize data-driven insights to provide a clear understanding of how insurance and economic growth are interlinked in Myanmar.

4.1 Development of Insurance Depositors in Myanmar

The insurance sector in Myanmar has seen substantial shifts from 2004 to 2024, reflecting broader economic, regulatory, and social changes in the country. A detailed analysis of depositor numbers reveals evolving preferences, market dynamics, and the growing role of both households and institutions. The twenty years are marked by two distinct phases: slow initial growth followed by rapid expansion, especially in life insurance and institutional participation. The following analysis draws directly on the statistical data presented in Table 4.1, which details the annual numbers of life and non-life insurance depositors, household depositors, and institutional depositors of insurance.

Table (4.1) Number of Life Insurance Depositors, Non-Life Insurance Depositors and Institutions at Insurance Corporations for Myanmar (2004-2024)

Year	Number of Life Insurance Depositors	Number of Non-Life Insurance Depositors	Number of Depositors which are Households	Number of Institution Insurance Depositors
2004	37128	9407082	9407082	1
2005	41758	9308131	9308131	1
2006	196612	10993738	10993738	1
2007	193654	12636434	12636434	1
2008	198096	13725641	13725641	1
2009	268243	14596791	14596791	1
2010	275537	14641562	14641562	1
2011	420415	16993727	16993727	1
2012	302116	16420685	16420685	1
2013	305108	22253040	22253040	1
2014	170385	9240264	9240264	1
2015	319647	13946089	9733128	1
2016	188244	11516641	9744633	1
2017	15757343	12575446	9756821	11
2018	18288582	9684342	9795426	11
2019	19654803	5409080	9877654	25
2020	19663811	5500681	9878321	25
2021	19673345	5511176	9883456	26
2022	19712236	7655431	9931182	29
2023	19732817	7846721	14557893	33
2024	19743516	8110023	14673622	36

Source: Central Statistical Organization (2025)

In the initial decade (2004–2013), life insurance remained a relatively minor segment. The number of life insurance depositors in 2004 stood at just 37,128 compared to a staggering 9,407,082 non-life insurance depositors. This trend continued, with life insurance depositors only gradually increasing to 305,108 by 2013, whereas non-life

depositors surged to 22,253,040 in the same year. Household depositors mirrored the non-life figures, indicating that nearly all non-life policies were held by households, while institutional participation was negligible, with just one institutional depositor recorded each year during this early phase.

The years 2014 to 2016 were marked by volatility and restructuring. Life insurance depositors initially dropped to 170,385 in 2014 but rebounded to 319,647 in 2015. Non-life insurance depositors, meanwhile, decreased sharply to 9,240,264 in 2014 before climbing back to 13,946,089 in 2015. The number of household depositors also reflected these shifts. Institutional involvement remained stagnant at one, underscoring the sector's continued focus on households and limited corporate engagement.

A dramatic transformation occurred beginning in 2017. The number of life insurance depositors soared to 15,757,343, representing almost a fifty-fold increase from the previous year. This surge likely resulted from regulatory reforms and the opening of the insurance market to more providers. Similarly, the number of institutional insurance depositors jumped from just one in 2016 to eleven in 2017, indicating a newfound interest from the corporate sector. Non-life insurance depositors also remained significant, at 12,575,446 in 2017. The household depositor count, while still substantial at 9,756,821, was now complemented by a growing institutional presence.

From 2018 to 2024, the sector sustained its upward momentum. Life insurance depositors increased steadily each year, reaching 19,743,516 by 2024. Non-life insurance depositors, while fluctuating, remained robust, rising to 8,110,023 in 2024. Household depositors also grew impressively, climbing to 14,673,622 in 2024, and the number of institutional depositors expanded rapidly to 36. This data indicates that both the general public and corporate entities have become increasingly aware of and engaged in insurance, signalling a maturing and diversifying market. The development of insurance depositors in Myanmar over the past two decades is characterized by a shift from a household-dominated, non-life insurance market to one with balanced growth in both life and non-life segments and significant increases in institutional participation.

4.2 Development of Insurance Deposits in Myanmar

The evolution of insurance deposits in Myanmar over the past two decades vividly illustrates the country's dynamic financial sector and the growing confidence in both life and non-life insurance products. Analyzing the outstanding deposits held by

insurance corporations from 2004 to 2024 reveals significant growth, particularly in recent years, as the sector matured and diversified. The remarkable expansion of deposit volumes reflects not only increased policyholder engagement but also the broader economic development and regulatory changes that have shaped the financial landscape. The analysis below is based on data from Table 4.2, which details the outstanding deposits for life and non-life insurance in Myanmar between 2004 and 2024.

Table (4.2) Outstanding Deposits for Life and Non-Life Insurance at Insurance Corporations for Myanmar (2004-2024)

Year	Outstanding Deposits (MMK) for Life Insurance	Outstanding Deposits (MMK) for Non-Life Insurance
2004	2103742455.90	7719036769.29
2005	2521201343.65	9841578203.38
2006	2994502970.34	12253744853.80
2007	3421412935.90	15322758457.80
2008	4116885672.67	18954102351.78
2009	5001364806.85	28075222858.41
2010	5972602127.46	27773572205.05
2011	7093686805.52	35482883592.81
2012	8222169257.60	45061352588.60
2013	1011780254.31	59233855080.23
2014	10597000000.00	71063000000.00
2015	12183000000.00	82858000000.00
2016	14270000000.00	95274000000.00
2017	33603000000.00	129250000000.00
2018	64578000000.00	145092000000.00
2019	444946000000.00	258816000000.00
2020	445123143325.00	263411000000.00
2021	455314003416.00	267368000000.00
2022	461005226118.00	269669000000.00
2023	466322055217.00	274553000000.00
2024	468522262331.00	279447000000.00

Source: Central Statistical Organization (2025)

In the early years from 2004 to 2010, outstanding deposits for life insurance grew at a steady but modest pace. The outstanding life insurance deposits were MMK 2.1 billion in 2004 and increased annually, reaching MMK 5.97 billion by 2010. Meanwhile, non-life insurance deposits were consistently higher, starting at MMK 7.7 billion in 2004 and rising to MMK 27.77 billion in 2010. This period highlights the initial dominance of non-life insurance products, reflecting the market's preference for risk coverage related to property and assets over long-term life products.

The period from 2011 to 2016 witnessed accelerated growth in outstanding deposits for both insurance segments. Life insurance deposits rose from MMK 7.09 billion in 2011 to MMK 14.27 billion in 2016. Non-life insurance deposits experienced even more rapid growth: from MMK 35.48 billion in 2011, they nearly tripled to MMK 95.27 billion by 2016. This sharp rise was fueled by economic reforms, increased public awareness, and broader participation in the financial sector, as well as policy changes that encouraged greater insurance penetration among individuals and businesses.

A dramatic surge occurred after 2017, marking a new era for Myanmar's insurance industry. Life insurance deposits leaped from MMK 33.60 billion in 2017 to an astonishing MMK 444.95 billion in 2019, and further to MMK 468.52 billion by 2024. Non-life deposits also showed robust growth, escalating from MMK 129.25 billion in 2017 to MMK 279.45 billion by 2024. The data indicates that both segments experienced exponential growth, with life insurance deposits overtaking non-life for the first time in 2019. This period of exceptional expansion is likely due to regulatory liberalization, the entry of new insurers, and rising consumer trust in the industry.

The development of insurance deposits in Myanmar from 2004 to 2024 demonstrates a dramatic transformation from a modest, non-life-focused market to one marked by significant and balanced growth in both life and non-life insurance deposits. The surge in total outstanding deposits, particularly evident since 2017, underscores the sector's increasing maturity and the public's growing reliance on insurance as a tool for financial security.

4.3 Development of Insurance Premium Volume to GDP in Myanmar

The relationship between insurance premium volume and GDP is a key indicator of the insurance sector's maturity and its integration into a nation's economy. In Myanmar, this ratio has traditionally been very low, reflecting both the early developmental stage of the insurance market and limited public participation. However,

over the past two decades, there has been a gradual, though modest, upward trend, particularly in non-life insurance, signaling slow but positive progress. The following analysis is based on Table 4.3, which illustrates the trend of life and non-life insurance premium volumes as a percentage of GDP from 2004 to 2024.

Table (4.3) Trend of Life Insurance Premium Volume to GDP in Myanmar (2004-2024)

Year	Life Insurance Premium Volume to GDP (%)	Non-Life Insurance Premium Volume to GDP (%)
2004	0.01	0.06
2005	0.01	0.04
2006	0.00	0.05
2007	0.00	0.04
2008	0.00	0.04
2009	0.00	0.03
2010	0.00	0.04
2011	0.00	0.04
2012	0.00	0.05
2013	0.00	0.05
2014	0.00	0.06
2015	0.01	0.06
2016	0.01	0.07
2017	0.02	0.06
2018	0.03	0.09
2019	0.01	0.09
2020	0.01	0.10
2021	0.02	0.10
2022	0.03	0.12
2023	0.03	0.12
2024	0.04	0.12

Source: Central Statistical Organization (2025)

From 2004 to 2016, life insurance premium volume to GDP in Myanmar remained extremely low, generally at 0.01% or lower, often recorded as 0.00% between 2006 and 2014, demonstrating minimal contribution to the national economy. During the same period, non-life insurance premiums to GDP ratios were slightly higher, ranging from 0.03% to 0.07%, with the highest value of 0.07% occurring in 2016. This disparity indicates that, in the earlier years, insurance activity was dominated by non-life products, while life insurance was still struggling to gain a foothold.

Notable growth began to emerge from 2017 onwards. Life insurance premium volume to GDP increased from 0.02% in 2017 to 0.04% by 2024, and non-life insurance premium volume also climbed, reaching 0.12% in 2024. Although these figures are still modest by international standards, the steady rise indicates a strengthening sector and growing confidence in insurance products among the Myanmar population. The table thus highlights the gradual, yet persistent, integration of insurance into Myanmar's economic framework, with both life and non-life segments making incremental gains in their share of GDP over the last two decades.

4.4 Development of GDP and GDP Per Capita in Myanmar

Understanding the trends in both nominal GDP and GDP per capita offers critical insights into Myanmar's economic progression and the welfare of its citizens. Over the past two decades, Myanmar has experienced periods of robust economic expansion, punctuated by occasional contractions or slowdowns due to domestic and global factors. Analyzing these indicators together allows for a comprehensive assessment of national performance and individual prosperity. The following analysis is based on Table 4.4, which presents Myanmar's nominal GDP and GDP per capita from 2004 to 2024.

Table (4.4) Year Nominal GDP and GDP Per Capita in Myanmar (2004-2024)

Year	Nominal GDP (USD)	GDP Per Capital (USD)
2004	10567354056	463
2005	11986972419	522
2006	14502553710	586
2007	20182477481	652
2008	31862554102	715
2009	36906181381	786
2010	49540813342	855
2011	59977326086	896
2012	59937796648	953
2013	60269732855	1025
2014	65531374200	1099
2015	59607290408	1167
2016	63298361996	1225
2017	66053040483	1291
2018	67860515990	1362
2019	75065106228	1441
2020	79006113643	1301
2021	66345291160	1137
2022	62253049892	1175
2023	66757619000	1178
2024	74079772652	1158

Source: Central Statistical Organization (2025)

Myanmar's nominal GDP has demonstrated a general upward trajectory, starting at USD 10.57 billion in 2004 and climbing to a peak of USD 79 billion in 2020. The country saw significant growth, especially from 2007 onwards, with nominal GDP rising from USD 20.18 billion in 2007 to USD 75.06 billion by 2019. However, after reaching a high in 2020, GDP experienced a decline to USD 66.34 billion in 2021 and further fluctuations in subsequent years, falling to USD 62.25 billion in 2022 before partially recovering to USD 74.08 billion in 2024. These trends reflect both the economic advancements and the challenges faced by Myanmar, including political events and global economic uncertainties.

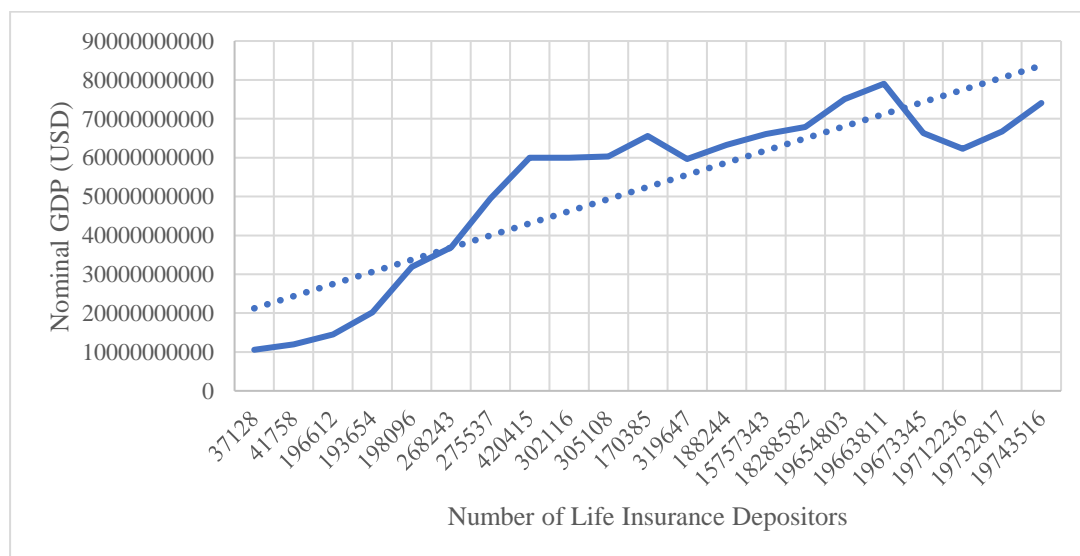
GDP per capita in Myanmar also showed a steady increase over the period, rising from USD 463 in 2004 to a high of USD 1,441 in 2019. This growth indicates improvements in average living standards and greater economic inclusion. Despite the overall positive trend, GDP per capita saw a significant drop after 2019, falling to USD 1,301 in 2020 and further declining to USD 1,137 by 2021. The most recent figures show only a marginal recovery, with GDP per capita rising slightly to USD 1,158 in 2024. This pattern highlights the impact of recent economic challenges on individual income levels, demonstrating the sensitivity of personal prosperity to broader economic fluctuations.

4.5 Association Between Growth of GDP and Development of Insurance Depositors in Myanmar

Correlation between Growth of GDP and Development of Life Insurance Depositors

Examining the relationship between Myanmar’s economic growth and the expansion of its life insurance market reveals a close and statistically significant connection. Understanding this correlation is important for policymakers, insurers, and investors, as it highlights the macroeconomic factors influencing insurance uptake. The analysis below draws on Figure 4.1 and Table 4.5, which summarizes the results of a regression analysis exploring the association between nominal GDP and the number of life insurance depositors in Myanmar from 2004 to 2024.

Figure (4.1) Correlation between Growth of GDP and Development of Life Insurance Depositors



Source: Analyzed Data from Tables (4.4) and (4.1)

Table (4.5) Summary of Correlation Regression Analysis Showing Association Between Growth of GDP and Development of Life Insurance Depositors in Myanmar

Year	Nominal GDP (USD)	Actual Depositors	Predicted Depositors
2004	10,567,354,056	37,128	3,692,573,920
2005	11,986,972,419	41,758	4,387,640,347
2006	14,502,553,710	196,612	5,244,893,799
2007	20,182,477,481	193,654	6,263,866,118
2008	31,862,554,102	198,096	9,031,894,936
2009	36,906,181,381	268,243	9,950,163,483
2010	49,540,813,342	275,537	13,492,284,670
2011	59,977,326,086	420,415	17,134,064,130
2012	59,937,796,648	302,116	17,120,228,827
2013	60,269,732,855	305,108	17,232,406,499
2014	65,531,374,200	170,385	19,088,980,970
2015	59,607,290,408	319,647	17,022,551,643
2016	63,298,361,996	188,244	18,317,426,698
2017	66,053,040,483	15,757,343	19,284,564,169
2018	67,860,515,990	18,288,582	19,591,180,597
2019	75,065,106,228	19,654,803	22,002,287,180
2020	79,006,113,643	19,663,811	23,001,140,275
2021	66,345,291,160	19,673,345	19,388,272,906
2022	62,253,049,892	19,712,236	18,563,557,462
2023	66,757,619,000	19,732,817	19,522,166,650
2024	74,079,772,652	19,743,516	21,682,920,428
Pearson Correlation Coefficient			0.98
R-squared (Goodness of Fit)			0.96

Source: Analyzed Data from Tables (4.4) and (4.1)

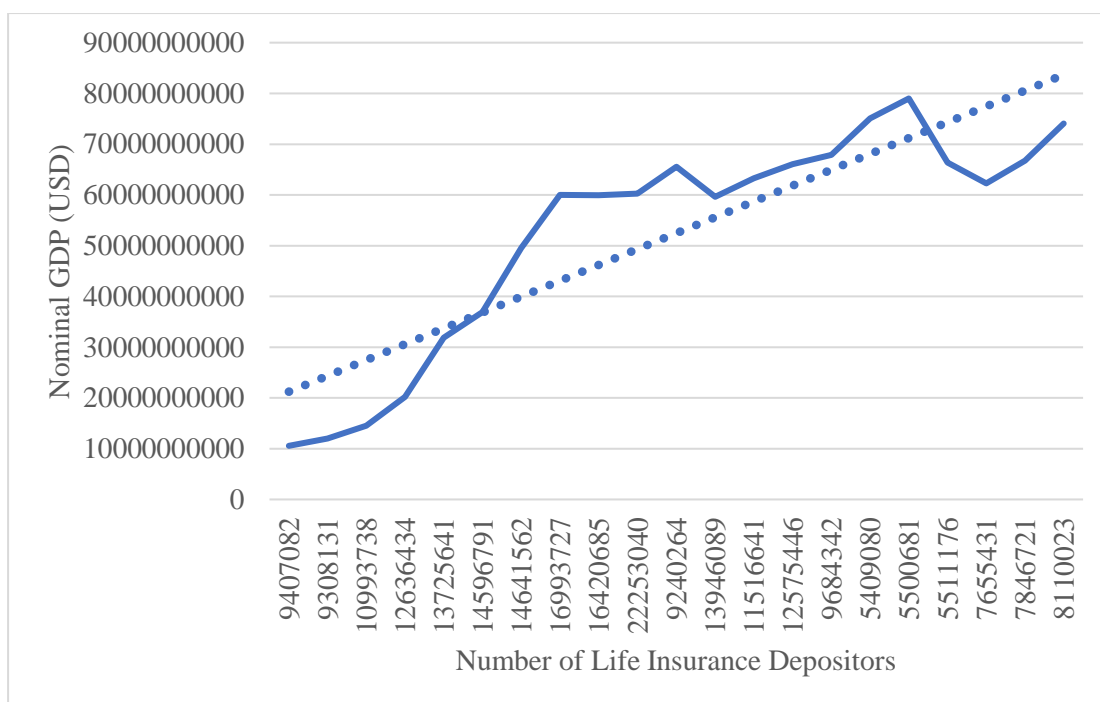
Throughout the twenty years, the Pearson correlation coefficient remains consistently high at 0.98, underscoring a very strong positive relationship between nominal GDP growth and the number of life insurance depositors. This means that as Myanmar's economy expanded, from a nominal GDP of USD 10.57 billion in 2004 to USD 74.08 billion in 2024, the number of actual life insurance depositors also increased dramatically, from 37,128 in 2004 to 19,743,516 in 2024. The R-squared values, measuring the goodness of fit, stand at 0.96, indicating that 96% of the variance in the development of life insurance depositors can be explained by changes in GDP. For example, the predicted number of depositors closely tracks the actual figures, especially in recent years, such as 2023, when the predicted number was 19,522,166 and the actual was 19,732,817.

These findings demonstrate that the development of life insurance depositors in Myanmar is highly sensitive to economic growth. As GDP rises, more individuals are able and willing to participate in the life insurance market, reflecting greater financial security and awareness. The consistently high correlation and R-squared values in Table 4.5 provide robust evidence of this strong association, emphasizing the importance of continued economic development for the further growth of the insurance sector in Myanmar.

Correlation between Growth of GDP and Development of Non-Life Insurance Depositors

Understanding the relationship between Myanmar's economic growth and the number of non-life insurance depositors sheds light on how macroeconomic factors influence demand for risk coverage in the country. Unlike the close association seen in life insurance, the data reveals a notably different pattern for non-life insurance. This analysis is based on Figure 4.2 and Table 4.6, which summarizes the results of a correlation regression analysis of nominal GDP and the number of non-life insurance depositors in Myanmar from 2004 to 2024.

Figure (4.2) Correlation between Growth of GDP and Development of Non-Life Insurance Depositors



Source: Analyzed Data from Tables (4.4) and (4.1)

Table (4.6) Summary of Correlation Regression Analysis Showing Association Between Growth of GDP and Development of Non-Life Insurance Depositors in Myanmar

Year	Nominal GDP (USD)	Actual Depositors	Predicted Depositors
2004	10,567,354,056	9,407,082	11,460,163
2005	11,986,972,419	9,308,131	11,374,081
2006	14,502,553,710	10,993,738	11,232,356
2007	20,182,477,481	12,636,434	10,909,663
2008	31,862,554,102	13,725,641	10,236,277
2009	36,906,181,381	14,596,791	9,955,149
2010	49,540,813,342	14,641,562	9,212,174
2011	59,977,326,086	16,993,727	8,621,683
2012	59,937,796,648	16,420,685	8,623,955
2013	60,269,732,855	22,253,040	8,604,912
2014	65,531,374,200	9,240,264	8,296,710
2015	59,607,290,408	13,946,089	8,642,912
2016	63,298,361,996	11,516,641	8,426,785
2017	66,053,040,483	12,575,446	8,282,978
2018	67,860,515,990	9,684,342	8,178,654
2019	75,065,106,228	5,409,080	7,747,289

Year	Nominal GDP (USD)	Actual Depositors	Predicted Depositors
2020	79,006,113,643	5,500,681	7,520,649
2021	66,345,291,160	5,511,176	8,266,063
2022	62,253,049,892	7,655,431	8,501,177
2023	66,757,619,000	7,846,721	8,242,929
2024	74,079,772,652	8,110,023	7,784,445
Pearson Correlation Coefficient			-0.21
R-squared (Goodness of Fit)			0.044

Source: Analyzed Data from Tables (4.4) and (4.1)

Over the two decades observed, the Pearson correlation coefficient between nominal GDP and non-life insurance depositors is consistently -0.21 , indicating a weak and negative relationship. This suggests that as Myanmar's GDP grew, from USD 10.57 billion in 2004 to USD 74.08 billion in 2024, the number of non-life insurance depositors did not follow a clear upward trend, and in fact, sometimes moved in the opposite direction. For example, while GDP increased steadily, the number of non-life insurance depositors peaked at 22,253,040 in 2013 before declining to 8,110,023 by 2024. The R-squared value for this relationship is only 0.044, meaning that economic growth explains less than 5% of the variation in non-life insurance depositors during this period.

This weak and negative association suggests that other factors, such as regulatory changes, competition, shifts in market structure, or public awareness, may have played a more significant role in shaping the development of non-life insurance in Myanmar than economic growth alone. Table 4.6 highlights that, unlike life insurance, the expansion of non-life insurance depositors has not been strongly tied to changes in nominal GDP, underscoring the complex dynamics of the non-life insurance sector in Myanmar.

Correlation between Growth of GDP and Development of Life Insurance Deposits

The growth of life insurance deposits is a pivotal indicator of financial security and economic confidence in Myanmar. By analyzing the association between nominal GDP and outstanding life insurance deposits, valuable insights can be drawn about how broader economic conditions shape the insurance sector. The correlation regression analysis, as detailed in Table (4.7), provides a comprehensive look at these dynamics over the period from 2004 to 2024.

Table (4.7) Summary of Correlation Regression Analysis Showing Association Between Growth of GDP and Development of Life Insurance Deposits in Myanmar

Year	Nominal GDP (USD)	Actual Outstanding Life Deposits (MMK)	Predicted Outstanding Deposits (MMK)
2004	10,567,354,056	2,103,742,455.90	42,699,273,520
2005	11,986,972,419	2,521,201,343.65	52,117,717,207
2006	14,502,553,710	2,994,502,970.34	69,667,113,657
2007	20,182,477,481	3,421,412,935.90	108,222,798,571
2008	31,862,554,102	4,116,885,672.67	186,413,313,484
2009	36,906,181,381	5,001,364,806.85	221,269,044,250
2010	49,540,813,342	5,972,602,127.46	307,948,651,392
2011	59,977,326,086	7,093,686,805.52	381,848,287,178
2012	59,937,796,648	8,222,169,257.60	381,581,390,541
2013	60,269,732,855	1,011,780,254.31	383,746,211,124
2014	65,531,374,200	10,597,000,000.00	420,086,207,180
2015	59,607,290,408	12,183,000,000.00	379,273,518,234
2016	63,298,361,996	14,270,000,000.00	406,072,825,383
2017	66,053,040,483	33,603,000,000.00	424,661,171,236
2018	67,860,515,990	64,578,000,000.00	436,692,455,149
2019	75,065,106,228	444,946,000,000.00	484,712,246,263
2020	79,006,113,643	445,123,143,325.00	511,659,984,211
2021	66,345,291,160	455,314,003,416.00	426,661,477,272
2022	62,253,049,892	461,005,226,118.00	398,482,334,350
2023	66,757,619,000	466,322,055,217.00	429,674,042,000
2024	74,079,772,652	468,522,262,331.00	479,334,478,474
Pearson Correlation Coefficient			0.94
R-squared (Goodness of Fit)			0.88

Source: Analyzed Data from Tables (4.4) and (4.2)

Across the twenty years, the Pearson correlation coefficient between nominal GDP and actual outstanding life insurance deposits is consistently high at 0.94. This strong positive relationship means that as Myanmar's nominal GDP increased, from USD 10.57 billion in 2004 to USD 74.08 billion in 2024, life insurance deposits also saw significant growth, rising from MMK 2.10 billion in 2004 to MMK 468.52 billion in 2024. The R-squared value for this relationship stands at 0.88, indicating that 88% of the variance in life insurance deposits can be explained by changes in GDP. For instance, in 2019, with a nominal GDP of USD 75.07 billion, actual life insurance deposits reached MMK 444.95 billion, closely aligning with the predicted value of MMK 484.71 billion. Similarly, in 2024, the actual deposits stood at MMK 468.52 billion, while the predicted value was MMK 479.33 billion, demonstrating a high degree of fit between observed data and the regression model.

This strong correlation underscores the sensitivity of life insurance deposit growth to overall economic expansion. As GDP rises, more individuals and businesses can invest in life insurance products, reflecting increased disposable income and growing trust in financial institutions. Table (4.7) thus highlights the integral role that sustained economic development plays in driving the growth of life insurance deposits in Myanmar, emphasizing the importance of macroeconomic stability for continued sectoral progress.

Correlation between Growth of GDP and Development of Non-Life Insurance Deposits

Exploring the link between Myanmar's economic growth and the accumulation of non-life insurance deposits offers valuable insight into how macroeconomic expansion supports the insurance industry's ability to cover tangible risks. Unlike the weaker depositor-based relationship, the connection between nominal GDP and the value of outstanding non-life insurance deposits is both strong and positive, indicating that as the economy grows, so does the depth of non-life insurance engagement. The following analysis draws on data presented in Table (4.8), which details the results of a regression analysis between nominal GDP and non-life insurance deposits in Myanmar from 2004 to 2024.

Table (4.8) Summary of Correlation Regression Analysis Showing Association Between Growth of GDP and Development of Non-Life Insurance Depositors in Myanmar

Year	Nominal GDP (USD)	Actual Outstanding Non-Life Deposits (MMK)	Predicted Outstanding Deposits (MMK)
2004	10,567,354,056	7,719,036,769.29	-10,431,635,060
2005	11,986,972,419	9,841,578,203.38	-3,911,241,971
2006	14,502,553,710	12,253,744,853.80	7,573,712,006
2007	20,182,477,481	15,322,758,457.80	33,687,744,590
2008	31,862,554,102	18,954,102,351.78	87,335,496,803
2009	36,906,181,381	28,075,222,858.41	109,036,319,721
2010	49,540,813,342	27,773,572,205.05	170,261,924,002
2011	59,977,326,086	35,482,883,592.81	217,843,756,381
2012	59,937,796,648	45,061,352,588.60	217,657,276,567
2013	60,269,732,855	59,233,855,080.23	219,196,319,002
2014	65,531,374,200	71,063,000,000.00	243,327,690,836
2015	59,607,290,408	82,858,000,000.00	215,789,385,070
2016	63,298,361,996	95,274,000,000.00	232,058,587,249
2017	66,053,040,483	129,250,000,000.00	245,555,911,013
2018	67,860,515,990	145,092,000,000.00	254,101,982,827
2019	75,065,106,228	258,816,000,000.00	286,656,387,511
2020	79,006,113,643	263,411,000,000.00	304,647,992,659
2021	66,345,291,160	267,368,000,000.00	246,983,503,510
2022	62,253,049,892	269,669,000,000.00	227,403,217,560
2023	66,757,619,000	274,553,000,000.00	248,942,335,220
2024	74,079,772,652	279,447,000,000.00	284,910,048,759
Pearson Correlation Coefficient			0.95
R-squared (Goodness of Fit)			0.9

Source: Analyzed Data from Tables (4.4) and (4.2)

Across the twenty years, the Pearson correlation coefficient is consistently high at 0.95, demonstrating a very strong positive association between nominal GDP and outstanding non-life insurance deposits. This means that as Myanmar's nominal GDP expanded from USD 10.57 billion in 2004 to USD 74.08 billion in 2024, the value of non-life insurance deposits also increased substantially, from MMK 7.72 billion in 2004 to MMK 279.45 billion in 2024. The R-squared value of 0.9 reaffirms that 90% of the variation in non-life insurance deposit volumes can be explained by changes in GDP. The predicted deposit values closely align with actual values in recent years: in 2019, with GDP at USD 75.07 billion, actual deposits were MMK 258.82 billion, while the predicted value was MMK 286.66 billion; in 2024, actual deposits reached MMK 279.45 billion, just below the predicted MMK 284.91 billion.

These high and stable correlation metrics indicate that the development of non-life insurance deposits is closely tied to Myanmar's broader economic performance. As the country's economy grows, both businesses and individuals are more likely to invest in non-life insurance products, boosting the overall deposit base. Table 4.8 thus highlights the significant influence of economic growth on the expansion and deepening of non-life insurance in Myanmar, emphasizing the sector's reliance on continued national economic development.

CHAPTER V

CONCLUSION

This chapter brings together the key findings from the analysis of Myanmar's insurance industry over the past two decades. By synthesizing trends in market growth, regulatory reforms, premium volumes, and the evolving relationship between economic development and insurance participation, this chapter aims to provide a comprehensive overview of the industry's transformation. The conclusion not only reflects on the progress and challenges encountered but also highlights the broader economic and social implications of these changes. Ultimately, this chapter sets the stage for future opportunities and strategic directions for the continued advancement of the insurance sector in Myanmar.

5.1 Findings

The development of the insurance industry in Myanmar tells a story of resilience, adaptability, and transformative growth. What began as a market dominated by non-life insurance held almost exclusively by households has, over the last twenty years, evolved into a more diversified and dynamic sector. The dramatic rise in life insurance participation and the entry of institutional players, especially in recent years, signal a broader shift in public perception and confidence in financial instruments. These changes are not just numbers, they reflect greater financial literacy, increased economic aspirations, and a growing recognition of the importance of risk management in a rapidly changing society. The insurance sector's evolution also mirrors Myanmar's broader economic reforms and integration into the global economy, paving the way for innovative products, improved consumer protection, and new opportunities for both individuals and businesses. As Myanmar continues on its path of development, the insurance industry is set to become a cornerstone of financial stability and a catalyst for sustainable growth, offering protection and peace of mind to a more empowered and forward-looking population.

Regarding the development of insurance deposits in Myanmar, it is clear that the industry has undergone a profound transformation over the past two decades. What began as a market dominated by non-life insurance and slow, steady growth in life insurance deposits has evolved into a dynamic sector characterized by rapid expansion and increasing balance between both segments. Particularly since 2017, the surge in

outstanding deposits reflects not only regulatory reforms and greater market openness, but also a significant rise in public trust and awareness of the importance of insurance for financial security. This evolution signifies the insurance sector's maturity and its vital role in Myanmar's broader economic development. Ultimately, the journey of the insurance industry in Myanmar stands as a testament to the positive impact of economic reform, market innovation, and growing consumer confidence, positioning insurance as a cornerstone of financial stability for individuals, businesses, and the nation as a whole.

Regarding the development of insurance premium volume to GDP in Myanmar, it is evident that the sector has transitioned from a minimal contributor to the national economy to one that is gradually carving out a more prominent role. The persistent, albeit modest, rise in both life and non-life insurance premium volumes relative to GDP since 2017 signals not only sectoral growth but also the increasing trust and engagement of the Myanmar population with insurance products. This trend reflects the industry's growing integration into the broader economic landscape and its capacity to adapt to changing market needs. While Myanmar's insurance sector still has significant room to mature compared to global standards, the ongoing upward trajectory in premium volumes demonstrates a foundation of resilience and potential. Ultimately, this progress highlights the insurance industry's evolving significance as a provider of financial protection, a promoter of economic stability, and a facilitator of sustainable growth for individuals, families, and businesses across Myanmar.

Regarding the development of GDP and GDP per capita in Myanmar, the nation's economic journey over the past two decades has been marked by remarkable growth as well as periods of challenge and uncertainty. The overall upward trend in both total GDP and per capita income reflects Myanmar's potential for progress and societal advancement, even as the economy has faced setbacks from political and global events. These economic patterns are not only indicators of national prosperity but also fundamental drivers for the expansion of the insurance industry, as rising incomes and economic stability create a stronger foundation for insurance uptake. The fluctuations in GDP and per capita income also underscore the importance of a resilient financial sector, including insurance, that can help individuals and businesses navigate periods of uncertainty. Ultimately, Myanmar's experience highlights the close relationship between economic development and the growth of the insurance industry, reinforcing the sector's role as both a beneficiary of prosperity and a buffer against adversity for the nation's people.

Regarding the correlation between the growth of GDP and the development of life insurance depositors in Myanmar, it is evident that the nation's economic expansion has played a pivotal role in driving participation in the life insurance market. The consistently strong relationship between GDP growth and the number of life insurance depositors highlights how improvements in the broader economy translate directly into greater financial security and risk awareness for individuals. As Myanmar's economy has grown, more people have been empowered to seek out life insurance as a tool for safeguarding their futures, reflecting both rising living standards and increased trust in financial institutions. This dynamic underscores the importance of sustained economic development as a foundation for the continued evolution and resilience of the insurance sector. Ultimately, fostering economic growth will remain essential for deepening insurance inclusion and strengthening the financial well-being of Myanmar's population.

Regarding the correlation between the growth of GDP and the development of non-life insurance depositors in Myanmar, it is evident that economic expansion alone has not been the primary driver of participation in this segment. Despite substantial GDP growth over the past two decades, the number of non-life insurance depositors has fluctuated independently, even declining in recent years. This weak and negative relationship highlights the complex nature of the non-life insurance market, where factors such as regulatory reforms, market competition, evolving consumer preferences, and public awareness play more decisive roles than macroeconomic trends alone. The findings underscore the necessity for targeted policy measures, innovative product development, and enhanced outreach efforts to invigorate non-life insurance participation. Ultimately, the development of Myanmar's non-life insurance sector will depend on a holistic approach that goes beyond economic growth, focusing on building trust, accessibility, and relevance for a broader segment of the population.

Regarding the strong correlation between GDP growth and the development of life insurance deposits in Myanmar, it is clear that the expansion of the national economy forms the foundation for a thriving insurance sector. The consistently high association between economic performance and the accumulation of life insurance deposits demonstrates that rising prosperity directly fuels greater financial engagement and confidence in long-term security products. As more individuals and businesses experience increased income and financial stability, their willingness and ability to invest in life insurance naturally grows, fostering deeper market penetration and a more

resilient sector. This relationship highlights that sustainable economic development and macroeconomic stability are not only beneficial for overall national progress but are also essential drivers for the continued advancement and maturity of the insurance industry in Myanmar. Looking ahead, policies that support robust economic growth will be vital in further strengthening the insurance sector's contribution to individual and collective financial security.

Regarding the correlation between growth of GDP and the development of non-life insurance deposits in Myanmar, the evidence is clear: robust economic growth has been a crucial driver behind the expansion of the non-life insurance sector. The consistently high correlation observed over the past two decades demonstrates that as Myanmar's economy advances, there is a parallel and substantial increase in the value of non-life insurance deposits. This relationship highlights the responsiveness of businesses and individuals to positive economic conditions, as greater prosperity leads to higher demand for protection against diverse risks. Ultimately, economic development has provided the essential foundation upon which the non-life insurance market continues to grow and mature.

5.2 Suggestions

The main finding from this study is that the development of Myanmar's insurance industry has closely followed broader economic growth, regulatory reforms, and rising public awareness. The sector has transitioned from non-life insurance dominance with limited market diversity to a more mature and balanced industry that now serves both households and institutions. Life insurance, in particular, has surged in participation and deposit volumes, strongly correlated with GDP growth, while non-life insurance has shown a more complex relationship, less directly tied to macroeconomic indicators. These patterns reveal that economic expansion, supportive policies, financial literacy, and market innovation are critical drivers for the sector's continued progress.

To sustain momentum, regulators should continue to foster a stable, transparent environment that encourages competition and innovation. Simplifying procedures for licensing and introducing clear consumer protection regulations will build further trust in the industry. Policymakers should also consider phased liberalization, allowing foreign expertise and capital to enter the sector, which can spur product innovation and raise overall standards.

Insurance providers should leverage the growing financial literacy and economic aspirations of the population by developing products that align with local needs and risks. For life insurance, products tied to long-term savings, education, and retirement can attract a broader customer base. Non-life insurers should explore bundled products and micro-insurance options, targeting not only urban but also rural customers. Digital platforms and mobile technologies can play a pivotal role in expanding reach and reducing operational costs.

Given the strong link between economic growth and insurance uptake, expanding financial education should be a national priority. Government agencies, insurers, and civil society organizations should collaborate on awareness campaigns that demystify insurance and emphasize its role in personal and business security. Tailored outreach to underserved communities, women, and small enterprises will further deepen market inclusion.

To diversify the customer base, active engagement with corporations and institutions is vital. Offering group policies, employee benefit packages, and risk management solutions will not only increase institutional participation but also help stabilize premium volumes. Partnerships with banks and microfinance institutions can drive cross-sectoral growth and improve risk assessment capabilities.

As economic fluctuations directly impact insurance development, coordination between the insurance sector and broader economic planning is essential. Policies that support income growth, employment, and economic resilience will indirectly benefit the insurance market. Monitoring and adapting to macroeconomic shocks, such as political instability or global disruptions, will help insurers remain resilient and continue supporting national financial security.

Myanmar should closely observe and adapt best practices from other emerging markets that have succeeded in rapidly expanding insurance penetration. Benchmarking regulatory frameworks, customer service standards, and innovation strategies will enable Myanmar's insurance industry to remain competitive and attractive to both local and foreign investors.

In conclusion, Myanmar's insurance industry stands at a promising juncture, with significant progress made over the last two decades. Realizing its full potential will require collaborative efforts across government, industry, and society, focused on regulatory excellence, market innovation, financial inclusion, and macroeconomic stability. With a holistic and forward-looking approach, the sector can become a robust pillar of Myanmar's economic and social future.

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