

YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME

INCOME CONTRIBUTION OF INSURANCE PRODUCTS
IN MYANMA INSURANCE

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ROLL NO. MBF-29
MBF DAY (1ST BATCH)

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ABSTRACT

This study focuses on the identification of the income contribution of insurance products in Myanmar Insurance. Two main objectives of this study are to identify major insurance products of Myanmar Insurance and to examine the income contribution of insurance products in Myanmar Insurance. The method is the descriptive method by using only secondary data from Myanmar Insurance from 2000-2019. Secondary data is collected from five departments of Myanmar Insurance such as Life insurance, Motor Insurance, Fire, Miscellaneous and Engineering Insurance, Marine, Aviation & Travel Insurance, and Reinsurance are increased yearly from 2000 to 2019. The data is used the official numbers of Myanmar Insurance from 2000 to 2019. The rationale of this study is to show that reducing the burden of uncompensated accident victims and the uncertainty of society. Insurance helps in replacing risk thus insurance is not only an important aid to industry and commerce but also provides great benefits to the society as a whole. Findings, Myanmar Insurance is the state-owned enterprise, the income contributed to National Income is very higher than other financial institutions. According to the income and expenditure, the premium income is increasing year by year. Therefore, the suggestion of this study is that insurance is providing stability and safety for future businesses and society. The insurance market needs to come up with a much more efficient system to mass-produce qualified agents and distribution channels to boost insurance penetration in Myanmar.

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LIST OF ABBREVIATIONS

GDP	-	Gross Domestic Product
MIA	-	Myanmar Insurance Association
FRD	-	Financial Regulatory Department
IBRB	-	Insurance Business Regulatory Board
MAT	-	Maritime, aviation and transport
UBI	-	Union Board of Insurance
CAR	-	Contractor's All Risks Insurance
EAR	-	Erection All Risks Insurance

CHAPTER 1

INTRODUCTION

Insurance is protection from financial loss. It is a form of risk management. Mainly used to protect against the risk of a contingent or uncertain loss. Insurance market and also insurance companies play an especially great role in the economy. The activities in the insurance market which occur every day affect economic growth positively. Insurance activities also help increasing country GDP. On the other side, insurance increases employment in the economy. Improve economic and financial stability is one of the main advantages of insurance. Therefore, insurance is a reliable system of the economy. Insurance supports economic growth by promoting financial stability, mobilizing and channelizing savings, supporting trade, commerce, entrepreneurial activity, and social programs; and encouraging the accumulation of new capital and fostering a more efficient allocation. Moreover, the insurance sector reduces the amount of capital needed to cover these losses individually, thereby encouraging additional output, investment, innovation, and competition. Insurance companies have long investment horizons and can contribute to the provision of long-term finance and more effective risk management. (JoanLamm-TennantandStefanoDominedo, 2013)

All kinds of insurance are used to help protect consumers when certain things happen. This protection comes in the form of money for the most part. It can also contribution protection from liability, damages, and financial loss, but in the end, it usually comes down to money. The insurance companies work by collecting small amounts of money from their clients and fund that money together to pay for damages. The essence of insurance is the elimination of risk and substitution of certainty for uncertainty. Insurance has both financial and legal mean. By the financial sense, insurance can be defined as a social device contribution financial compensation, payments being made from the accumulated provide of all parties participating in the arrangement. The essence of insurance thus is a collective bearing of risks as it involves the pooling of risks. In a legal sense, a contract of insurance is a contract between tie insurer and the insured requiring all the essentials of a valid contract according to the law of contracts.

The insurance has become an essential part of the business and human life. A limit on the growth of business and trade has been “The fear of losses”. An

uncertain future of business and of the individual has always been disturbing him. Insurance has been a benefit in solving many problems of business and private life. Economic developments rely on investments which are made out of savings. Insurance mobilizes the saving of people into the investment for economic growth. A sound developed insurance sector is key to the economic development of a country. They provide long- term funds for the infrastructure of development and strengthen the risk taking ability of the country. A well-developed insurance market paves way for efficient resource allocation through the transfer of risk and mobilization of savings. (Charumathi, 2012)

This study is related to the Income Contribution of Insurance Products in Myanma Insurance. The uncertainty part of any activity cannot be reasonably foreseen to happen within a particular time or in a particular manner. Insurance is an arrangement whereby many people who are susceptible to the same type of losses share the financial losses of a few. For most of the last half-century Myanmar's insurance sector was closed and monopolized, but it is now opening up to both local and foreign competition. The renovate has been quick and around the panel. In 2013, domestic private insurers have been opened a dozen. At the same time, many foreign companies have opened representative offices in the country. The real competition is not yet allowed, and foreign firms are being kept at a distance. But the first, crucial steps have been taken, and conditions are right for fast development.

Myanma Insurance has for many years worked as the monopoly contributor of insurance. But at some times and in some ways foreign and private participation has been permission. The Insurance sector is new and lacks experience. Except for Myanma Insurance, no firm has the ability or capacity to handle large risks. The country does not currently have actuaries. Therefore, Myanma Insurance makes sense to keep business highly controlled, to avoid dumping and ensure players do not price coverage too low.

1.1 Rationale of the study

In Myanmar, banking and insurance are financial services. Myanmar's banking system has been developed more than an insurance system. In the banking sector, there are nine semi-governmental banks and 14 private banks ass private enterprises. There are currently operating 13 branches of international banks in Myanmar from China, Japan, Singapore, India, Malaysia, and Vietnam, as well as 49 foreign banks with

representative offices and 26 private domestic banks. Like the banking sector, the insurance sector has insurance companies not only as a state-owned enterprise but also private companies. Unlike the banking sector, insurance companies are not popular in Myanmar. Myanmar's insurance market is the least developed in Southeast Asia. Non-life insurance premiums are less than 0.1 percent of GDP.

The insurance products that can be offered by insurance companies are Fire, Cash-in-transit and money security, Marine hull, machinery, and cargo, Health, personal accident, and diseases, Travel, Third-party, and comprehensive vehicle insurance and Life, sportsman life, and snakebite life insurance. Some products are limited acceptance by a state-owned enterprise, Myanma Insurance, such as Oil and gas business, Liability, Aviation and Workers' compensation. Among them, the fire insurance product is the most popular and its premium is 42355.299 (Kyats in billion for 2017) of the total general insurance premium 60996.574 (Kyats in billion for 2017). The second popular insurance product is comprehensive vehicle insurance and its premium is 14972.92 (Kyats in billion for 2017). In life insurance products, the Military Personnel Life Insurance premium is the first and its premium is 13201.15 (Kyats in billion for 2017) and the premium for the second popular product, Special Travel, is 4179.93 (Kyats in billion for 2017). (Dr.SandarOo, 2018)

Insurance is unnecessary to set aside a large amount of money to pay for the financial consequences of the risk exposures that can be insured. This allows that money to be used more efficiently. It provides a source of investment funds. Insurance companies collect premiums upfront, invest those premiums in a variety of investment vehicles, and pay claims if they occur. The last benefit of insurance is to decrease the social burden. Insurance helps reduce the burden of accident victims and the uncertainty of society. Insurance helps in replacing risk thus insurance is not only an important aid to industry and commerce but also provides great benefits to the society as a whole. Nowadays, people know insurance service is very helpful to them, it is necessary to understand thoroughly why insurance is necessary, and how individuals make the decision for the purchase of insurance policy.

1.2 Objectives of the study

The objectives of the study are as follows:

1. To identify major insurance products of Myanma Insurance

2. To examine the income contribution of insurance products in Myanmar Insurance

1.3 Scope and method of the study

This paper covers the insurance market in Myanmar from the year 1976 to 2017. For the case study, it covers from the period 2000-2001 to 2018-2019 based on the availability of the official data from respective reports of Myanmar Insurance Association (MIA), Financial Regulatory Department (FRD) and the Insurance Business Regulatory Board (IBRB).

To achieve the objective of the study, only secondary data is used in this study. The data are collected from respective annual reports of Myanmar Insurance, Myanmar Insurance Association (MIA) and Financial Regulatory Department (FRD) for the financial period is 2000-2001 to 2018-2019, journals, websites, previous research papers and literature which are relevant to this study. Obtained data is analyzed to find out the income contribution of insurance products in Myanmar Insurance.

1.4 Organization of the study

This study is organized into five chapters. Chapter one is the introduction that provides the detail of the study background, rationale, objectives, scope and method, and organization of the study. Chapter two describes the theoretical background of insurance, a kind of risk management. Chapter three involves the insurance market in Myanmar. Chapter four consists of an analysis of the income contribution of insurance products in Myanmar Insurance. Chapter five deals with the summary of findings, the recommendation of the study and limitations and the need for further study.

CHAPTER 2

LITERATURE REVIEW

In this chapter, it starts with the concept of the insurance. It also includes the insurance risks management methodology, the role of insurance in an economy, the role of insurance in a growing ASEAN region, insurance industry development and trade liberalization, insurance market review by ASEAN countries, functions and benefits of insurance, and reviews on previous studies.

2.1 The concept of the insurance

Insurance refers to a contractual agreement in which one party. The insurance company or the insurer agrees to compensate for the loss or damage sustained to another party. The insured is consideration called a premium by paying a definite amount, in exchange for an adequate. It is often represented by an insurance policy. The insured get financial protection from the insurer against losses due to the occurrence of any event which is not under the control of the insured.

Basically, there are two types of insurance; Life Insurance and Non-life Insurance. Life Insurance is the insurance that covers the risk of the life of the insured is called life insurance. In this, the nominee will get the policy amount, when the death of the insurer. This is also called an Assurance, as the event, i.e. death of the insured is certain. The payment of the policy amount on the maturity will be made in one shot (lump sum) or periodical installments, i.e. annuity. General Insurance is any insurance apart from life insurance that comes under general insurance. In this type of insurance, the policyholder gets the compensation only when the loss is caused to him, due to the reasons expressed in the policy. It is also called as non-life insurance.

Life insurance and non-life insurance differ in the way that life insurance covers the life risk. Non-life insurance does not cover the risk of life. Secondly, the premium is paid at regular intervals in life insurance, but in non-life insurance, the premium is paid in a lump sum for the year.

Insurance is a great way to avoid loss or change it to another party. It also gives a sense of security to the individuals. Indeed, it mobilizes savings of the individuals in the form of investment in the policies, which are reinvested by the insurance companies in the securities of the publicly listed companies, to earn a dividend on it. (Finance, 2019)

2.2 The role of insurance in an economy

Insurance provides the economic function of distributing risk. An individual pays a premium to an insurance company, which secures him against a catastrophic event that has a large potential economic cost. The catastrophic event is usually rare. The insurance company receives a steady income, The individual has safety against a loss that could otherwise result in bankruptcy, property foreclosure or other negative outcomes.

Insurance allows companies to construct large projects. For example, a microchip production factory may cost millions of dollars. The company that builds the microchip factory assumes a large risk, since the factory might burn down or collapse in an earthquake. With insurance on the factory, the company can build the factory and produce microchips. Large projects like this often have economies of scale, so they can produce goods more cheaply than small projects.

Vehicle travel requires insurance. Drivers on the road can potentially cause large amounts of damage to other cars and trucks, and they may also harm other drivers or pedestrians. Insurance allows drivers to travel with protection against the risks of harming other individuals. Vehicle travel produces substantial economic benefits, since it allows trucks to deliver goods across a nation and allows workers to drive to their jobs.

Even if a company has enough money to protect itself against a catastrophe, insurance is still useful. A microchip production factory may have enough money to build a second factory if the first factory burns down. It can keep the money in the bank to protect itself from this event, or it can purchase insurance and use this money to build a second factory. Insurance frees capital for other investments.

Peace of mind is a psychological benefit of insurance. A person can lose everything she worked for her entire life due to a single disaster, and just the thought of this is stressful. According to Northwestern University, disability insurance helps medical students stop worrying about suffering costly injuries and concentrate instead on their medical coursework. Workers are more economically productive since they can focus on their jobs.

As a standard measure of insurance market development, it is used annual insurance penetration data for nonlife, life and total insurance. Life and nonlife insurers offer different protection services to individuals and businesses. While life insurers offer medium and long-term protection products with savings elements, nonlife insurers

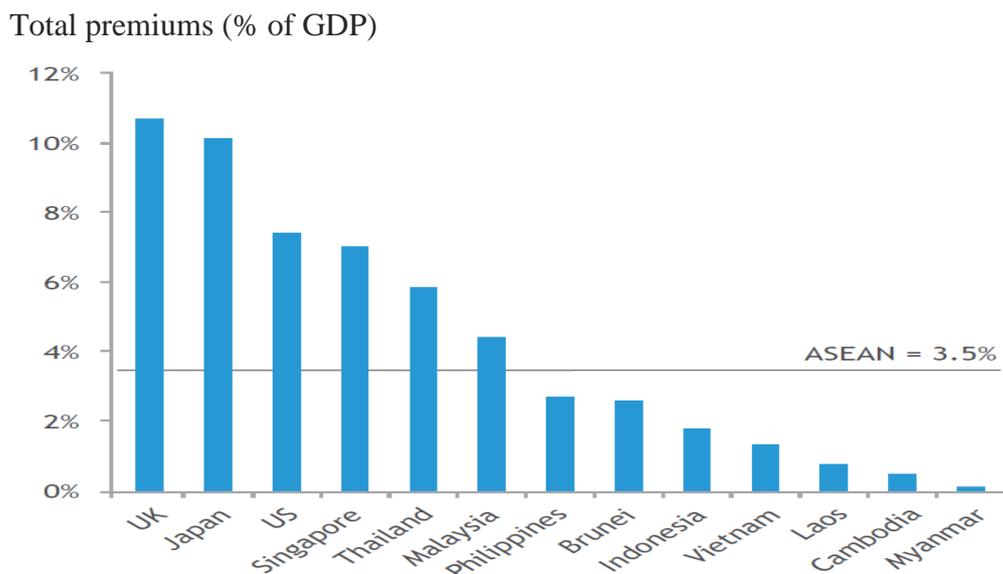
offer medium and short-term indemnification products. This paper hypothesize positive impact of penetration for nonlife, life and total insurance on economic grow.

The government has an important role for the establishment of framework for private sector development in every economy. However, numerous theoretical and empirical researches suggest that the larger government consumption the less developed will be financial system, and especially insurance industry. For example, life insurance premiums vary inversely with social security coverage. If government provides indemnification for property losses, disability, retirement and health care, individuals will have fewer incentives to purchase insurance that was especially emphasized. Also, greater government consumption is generally considered to decrease the efficiency of investments as its investments are directed by political and social considerations. (Novinson, 2017)

2.3 Insurance market in ASEAN countries

The ASEAN region is one the most dynamic in the world and central to some of the most important global trends. It is growing, using, plugging into global supply chains, and deepening and integrating its own regional market. Measured by total GDP, it is a regional market already considerably larger than Brazil or India. In the next five years it is expected to grow by half again, as much (in terms of USD) as France and Germany combined. Disposable income in ASEAN is rising, financial penetration rates are growing and capital markets are deepening. These rates of change are very varied across the region, but they are present everywhere.

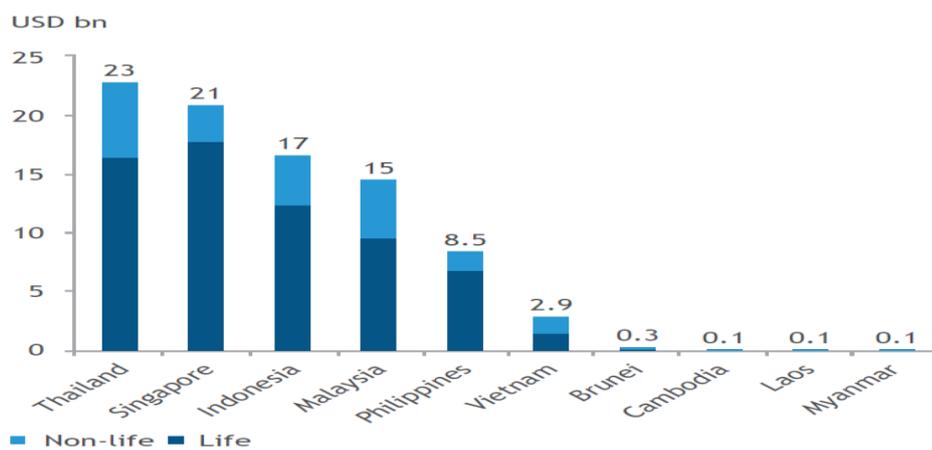
Figure (1.1) Market penetration in 2014



Source: Swiss Re, IMF, GC calculations (2015)

The development of the ASEAN insurance sector is also playing an important role in addressing economic, social and policy challenges. In many ASEAN countries, public systems of social protection are under-developed and they are complemented by insurance products. As none of the ASEAN states will seek to build centrally-funded social welfare systems on the European model, the role of private insurance will remain integral both to private and public provision. Lengthening life spans create a similar need to hedge the growing costs of healthcare over longer lives.

Figure (1.2) premiums by segment in 2015



Source: Swiss Re (2015)

In 2015, total insurance premiums in the ASEAN region are forecast to reach just over USD 87 bn, more than double the amount generated in 2009. The increase has been seen across both the life and nonlife segments (Fig. 2), but particularly the former, which has grown by 116 percent. There is typically a correlation between rising disposable income and life insurance, and this is borne out across the ASEAN region. (Adams, 2015)

2.4 Insurance industry development and trade liberalization

Foreign insurers can play an important role in the development of insurance sectors, especially at the first stages of market development. In the non-life segment, for instance, foreign insurers can help compensate for the limited capacity of domestic firms to meet demand for cover against large risks related to large scale commercial ventures or infrastructure projects (such as the building and operation of dams, power plants or oil rigs) and in the provision of commercial maritime, aviation and transport (MAT) insurance. Given the capital intensive nature and long term liabilities of the life segment, even if the development of a country's life insurance sector is initially purely driven by domestic investment, the point may come when international investment and expertise is needed to support its expansion into more complex life insurance product lines, such as unit-linked savings or pension products.

Provided the existence of an adequate regulatory foundation, the effectiveness of foreign competition in supporting the development of local insurance markets depends to a great degree on the conditions of market access faced by foreign insurers. Foreign insurers seek to trade into and between foreign markets typically face a range of legal constraints ranging from complete or partial market access prohibitions, to restrictions on the conditions under which market access is granted.

Although not strictly 'barriers to market access', it is generally accepted that the regulatory and legal framework that underpins the market – such as fundamental rights against expropriation without fair compensation and a range of other policies necessary for a level playing field between local and third country firms – are in practice key determinants of the openness of an insurance market to foreign competition. The presence of a state-owned insurer or reinsurer in local markets can also impact market development and regulation, as this more often than not involves the existence of market-distorting discriminatory regulatory measures – particularly (but not exclusively) against foreign providers – which usually create an institutional bias

among domestic policymakers against market access liberalization and non-discrimination against foreign investors.

As technology transforms insurance and impacts various functions in the value chain, there has been speculation by industry practitioners on how business models may evolve from integrated carriers to distribution and product experts, and from balance sheet businesses to capital light structures, supported by third-party investors and capital markets. Insurer-Tech not only has the potential to disrupt insurance markets but to also rebalance the global power between reinsurers in developed markets and those in emerging economies. Companies in emerging markets are often able to create new innovative solutions faster and can also attract intellectual and financial capital from partnerships unseen in developed, heavily regulated countries with high penetration of insurance products. (Watson, 2017)

2.5 Insurance market review by ASEAN countries

Growth prospects for six major Southeast Asian insurance markets – Singapore, Thailand, Malaysia, Indonesia, Vietnam and the Philippines – remain robust undergirded by sturdy socioeconomic fundamentals according to a recent report by Moody’s Investors Service. Nevertheless, pace and quality of this growth will vary according to geographies.

The report highlighted that governments of the Association of Southeast Asian Nations (ASEAN) are well aware of widening protection gaps and have initiated policies towards addressing these concerns. Besides that, there are more economic incentives particularly for medical and retirement coverage which has opened up a plethora of opportunities for commercial insurers.

In 2016, insurance penetration in ASEAN member states stood at 3.4 percent which is nearly half of the global average at six percent. According to a 2017 report endorsed by the ASEAN Insurance Council, the life insurance business represents the lion share of total premiums in the region at 73 percent – compared to the global share of 55 percent. Nevertheless, ASEAN’s life insurance penetration is which sits at 2.4 percent, still lags behind the global average of 3.5 percent.

The market for life insurance in ASEAN, however, has been growing. Between 2011 and 2016, it expanded by 9.2 percent per annum, significantly higher than the region’s average economic growth.

For non-life insurance premiums, the gap is much wider, accounting for only one percent of the gross domestic product (GDP) compared to the global average of 2.8 percent. Nevertheless, this gap is fast narrowing as the non-life insurance market in ASEAN outpaced regional GDP growth by one percent between 2011 and 2016 (6.1 percent versus 5.1 percent).

The need for insurance within the region is underpinned by several factors. The rising levels of prosperity will improve long term demand for life insurance. Thailand and Malaysia have seen an increase in premium growth for critical illnesses and medical products. Singapore's ageing working population is also driving growth in retirement annuity policies.

Besides that, the booming insurance technology (insur-tech) sector is likely to disrupt existing insurance markets and make insurance more freely available throughout various segments of society. However, progress in this area is still relatively slow.

The ASEAN region is also a disaster-prone area; hence, there is a need for disaster risk financing which can help ASEAN member states become more financially resilient against natural disasters as part of their broader disaster risk management agendas. According to the World Bank, every year, on average, the region suffers damage upwards of US\$4.4 billion, a consequence of natural hazards, and this figure is only slated to increase as the years go by.

In the Philippines, greater exposure to natural disasters like typhoons has fuelled demand for catastrophic loss coverage. As such, there is an urgent need for ASEAN members to develop adequate disaster financing strategies to lessen the fiscal burden that natural disasters can have on governments.

Another area to look at is insurance for long-term infrastructure programs. Indonesia has seen an uptick in the demand for property and fire insurance. Whereas in Vietnam, sustained economic development and increasing awareness of risk management are leading drivers for premium growth. (Gnanasagaran, 2019)

2.6 Functions and benefits of insurance

Functions of insurance are to low the loss caused. The most important function of insurance is to cover the risk over a number of persons who are insured against the risk, share the loss of each member of the society on the basis of the probability of loss to their risk and provide security against losses to the insured.

Insurance functions are Insurance provides certainty, risk-sharing, prevention of loss are primary functions. Secondary functions are provides capital, improves efficiency, helps economic progress.

- (i) Insurance provides certainty: The payment at the uncertainty of loss.
- (ii) Insurance provides protection: The main function of insurance is to protect the probable chances of loss. The time and amount of loss are uncertain and at the happening of risk the person will suffer the loss in the absence of insurance.
- (iii) Risk-Sharing: The risk is uncertain, and therefore, the loss arising from the risk is also uncertain. When risk takes place, the loss is shared by all the persons who are exposed to the risk.
- (iv) Prevention of loss: The insurance joins hands with those institutions which are engaged in preventing the losses of the society.
- (v) Provides capital: The insurance provides capital to society. The accumulated funds are invested in the productive channel. The death of the capital of the society is minimized to a greater extent with the help of investment in insurance.
- (vi) Improves efficiency: Insurance eliminates worries and miseries of losses at death and destruction of property.
- (vii) Helps economic progress: The insurance by protecting the society from huge losses of damage, destruction, and death, provides an initiative to work hard for the betterment of the masses. (Insurance, 2015)
- (viii) Helps economic progress: The insurance by protecting the society from huge losses of damage, destruction, and death, provides an initiative to work hard for the betterment of the masses. (2015)
- (ix) Insurance benefits individuals, organizations and society in more ways than the average person realizes. Some of the benefits of insurance are obvious while others are not. The obvious and most important benefit of insurance is the payment of losses. The second benefit of insurance is managing cash flow uncertainty. A third and uncommon benefit of insurance is complying with legal requirements. Another very important benefit of insurance is promoting risk control activity. The fifth benefit of insurance is the efficient use of an insured's resources. Another, important benefit of insurance is support for the insured's credit. The seventh benefit of insurance is it provides a source of investment funds. Insurance companies collect premiums up front, invest those premiums in a variety of investment vehicles, and pay claims if they

occur. The last benefit of insurance is reducing social burden. Insurance helps reduce the burden of uncompensated accident victims and the uncertainty of society. (Bassett, 2016)

2.7 Reviews on previous studies

Roy (2008) stated that the economic importance of the insurance sector has been increasing as part of the liberalization of financial systems (including privatization) and globalization and conglomeration of financial markets. Insurance markets are similar to banks and capital markets as they serve the needs of business units and private households in financial intermediation. The availability of insurance services is essential for the stability of the economy and can make the business participants accept aggravated risks. Insurances also protect against possible negative outcomes of activities carried out by individuals or companies threatening themselves, others and the future abilities of both.

Outreville (2011) summarized the main macroeconomic factors that should drive the development of the insurance sector into four major groups: 1) economic factors, 2) demographic factors related to the structure and location of households, 3) social and cultural factors accounting for subjective discount functions by consumers and 4) institutional and market structure factors.

Mar Lar Nyunt (EMPA 6th Batch) studied “Life Insurance in Myanmar”. It was recommended that the reforms of procedures were needed to be in line with current situations, prompt action in understanding and claim settlements, implementation of on-line insurance system, and wide distribution of insurance knowledge among people and opening private insurance companies to develop insurance market in Myanmar. Moreover, it was mentioned that insurance as a social security tool and a mechanism of financial sector development should play its essential role very well.

Pan Ei Phyu (2018) studied that insurance is one of the best-known and links into other financial sector, most valuable of protecting against the risks associated with everyday life for human being, some people aware the benefits of effecting the insurance covers for protection of loss potentials in daily business. Insurance sector is now more and more including in gross domestic products. So, all business sector should have accepted the policy from the insurer whatever the business in crises, there were not dilapidation and so that the business is stability.

CHAPTER 3

INSURANCE PRODUCTS IN MYANMA INSURANCE

This chapter includes profile of Myanmar Insurance, organization structure of Myanmar Insurance, life insurance, motor insurance, fire, miscellaneous and engineering insurance, marine, aviation & travel insurance, and reinsurance.

3.1 Profile of myanma insurance

In Myanmar, the Insurance business started in 1826. After the First Anglo-Myanmar War in 1824, about 18 insurance companies first landed in Myanmar market. There were about 110 insurance companies before our independence in 1948 and about 74 insurance companies in 1964 when the prohibition of other private insurance companies was made.

The Union Insurance Board Act was enacted in 1950 and the Insurance Companies Nationalization Act in 1951. After nationalizing the Burma National Insurance Co., Ltd by the Union Board of Insurance (UBI), it started to underwrite life insurance in 1952 and then extended to general insurance in 1957. The insurance business and its market has been solely managed and operated by the government since 1st February 1964.

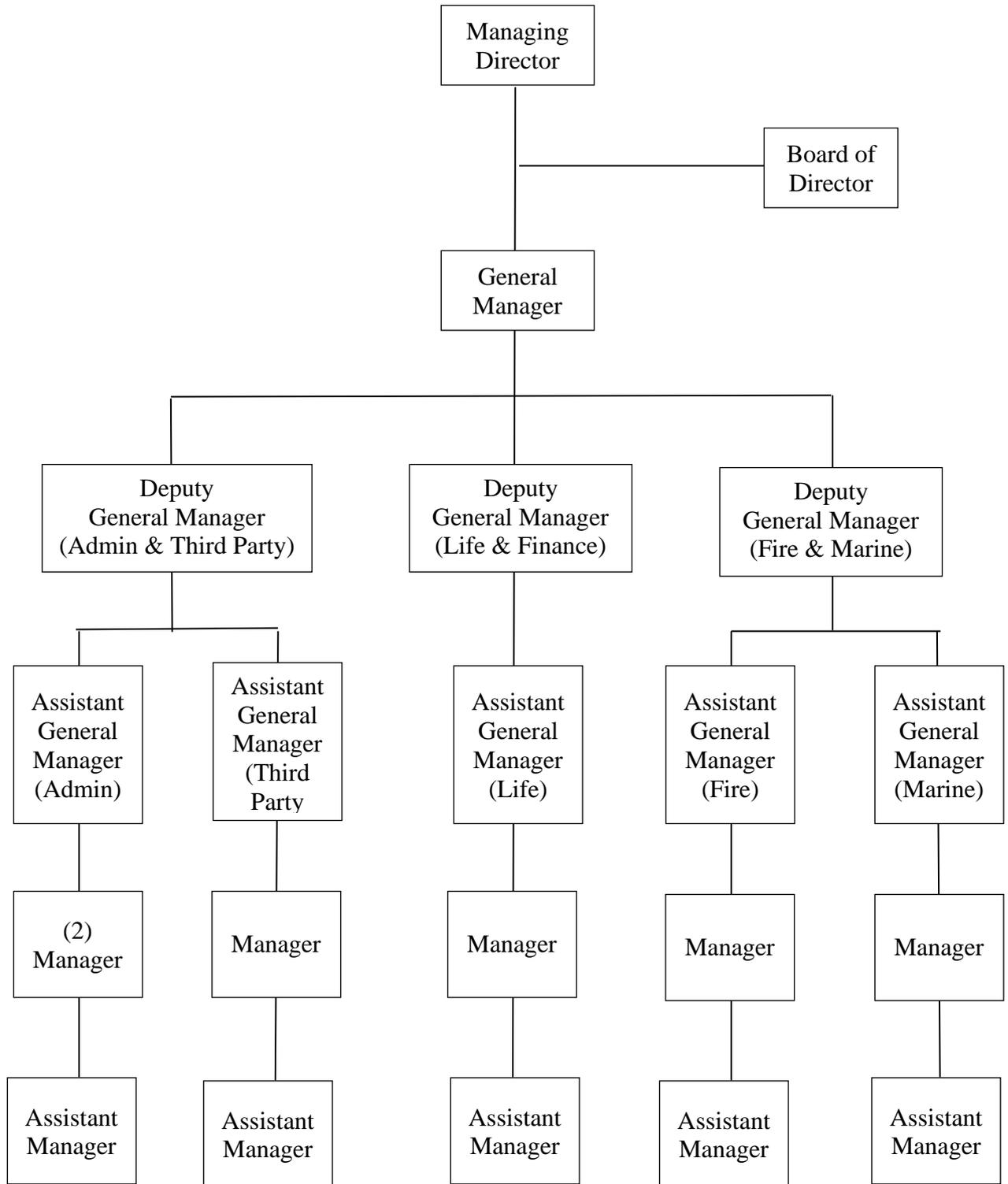
In 1969, all banks & UBI were combined into the People Bank of the Union of Myanmar and in 1976; Myanmar Insurance Corporation was reestablished as a separate organization from the banking sector under the provisions of Insurance Business Law 1975. It was renamed Myanmar Insurance, the present organization in 1981. 'Myanmar Insurance Corporation' was named as 'Myanmar Insurance' on 1st April, 1989.

Myanmar Insurance, a sole state-owned insurance enterprise in Myanmar market, has provided the people with the insurance protection and opened the 38 branch offices all over the country including one office in the capital city of each and every State and Division.

3.2 Organization structure of myanma insurance

Myanmar Insurance is organized by 800 government employees; Managing Myanmar Insurance is organized by 800 government employees; Managing Director, General Manager, three Deputy General Managers, five Assistant General Managers, 18 Managers including the head office and branches, 65 assistant managers including the head office and branches and other ranks.

Figure 3.2 Organization structure of myanma insurance (Head Office)



Source: Myanmar insurance Data (2019)

3.3 Life insurance

Life insurance stands fourth in insurance sector. It is not popular one in Myanmar. Life insurance underwritten in Myanmar can be divided into two categories – the first for Endowment Policy and the Second for Term Policy.

Life Insurance for Government Servants, Life Insurance for Military Service Personnel and life Insurance for Public are endowment policies. In general, the Endowment Policy underwritten in Myanmar is a traditional savings-type life insurance product only. Government Servants and Military Service Personnel shall insure compulsory life insurance with Myanma Insurance. Their monthly premium is calculated, based on their age and pay scale. Group Life Insurance, Seaman Life Insurance, Snakebite Life Insurance, Shore Job Insurance, Farmers' Life Assurance, Health Insurance, Short Term Endowment Life Assurance and Sportsmen Life Insurance are term policies.

The commission rates and the classes of life assurance underwritten through insurance agents:

1. Public Life Assurance	First year 20 % , the remaining period years 5%
2. Group Life Assurance	15%
3. Snake Bite Life Assurance	8%
4. Health Insurance	10%

i. Government service personnel life assurance

Government service Personnel Life Assurance shall affect compulsory life assurance under Chapter VI, Section-13 of the Myanma Insurance Law 1993. Limit of age is from 18 to 55. Government servants under the age 50 shall affect compulsory life assurance. Government servants over the age of 55 are exempt from compulsory life assurance. The maximum sum insured is kyats 30 million. Premium is calculated based on the term of insurance policy and sum insured. If the proposer is between the age of 18 and 50 and/or the sum insured is under kyats 1,000,000/-, the proposer is exempt from having a medical check-up. If the sum insured is over kyats 1,000,000/- and/or the proposer is above the age of 50, he is to make a medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, Hepatitis C is to be submitted.) Premium payable by the assured shall not exceed 15% of his/her monthly salary under Chapter II, Section – 3 of the Life Insurance Rules. The sum insured is kyats 10,000/-, the minimum premium will be kyats 18.40/- or the maximum premium will be kyats 173.92/- of monthly salary.

ii. **Military personnel life assurance**

The military Personnel shall affect compulsory life assurance under Chapter VI, Section-13 of the Myanmar Insurance Law 1993. The officers and other ranks between the age of 18 and 55 shall affect compulsory life assurance. The maximum sum insured is kyats 30 million. If the sum insured is under kyats 1,000,000/-, the proposer is exempt from having a medical check-up. If the sum insured is over kyats 1,000,000/-, the proposer has to make medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, Hepatitis C is to be submitted.) The military life assurance policy can be purchased for 5, 10 or 15 year term. Insurance cover commence on the date of premium payment. If the sum insured is kyats 10,000, the minimum premium will be kyats 166.30/- or the maximum premium will be kyats 176.40/- of monthly salary for five-year-term life assurance policy subject to his/her age.

iii. **Public life assurance**

A citizen can purchase the Public Life Assurance voluntarily. Limit of age is from 10 to 55. The minimum sum insured is kyats 50,000/- and the maximum sum insured, kyats 30 million. Every proposer needs to make a medical check-up with a specialist. (Medical report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, Hepatitis C is to be submitted.) Premium can be paid in quarterly or biannual or annual installment. Public life assurance policy can be purchased for 5, 10- or 15-year term. Insurance cover commence on the date of premium payment. If sum insured is kyats 50,000 for five-years-term policy subject to age of the proposer, the premium will vary from Ks. 10237.50/- (minimum) to Ks. 10870.00/- (maximum).

Insurance policy stamp fee

- Up to sum insured kyats 25,000/- kyats 10
- From above sum insured Ks. 2,500/- up to Ks. 50,000 kyats 20
- From above sum insured Ks. 50,000/- up to Ks. 100,000 kyats 30
- Each and every Ks. 100,000 kyats 30
- Group life assurance kyats 10 (for one group)

The opportunities of life assurance are that the proposer can claim surrender, maturity, death, loan, discounted value, and permanent disablement for public life assurance. The proposer can claim surrender, maturity, death, loan, paid up value, and permanent disablement for government service personnel life assurance. The proposer

can claim surrender, maturity, death, loan, discounted value, and permanent disablement for military personnel life assurance.

iv. Health insurance

The new version of Health Insurance has been underwritten since 1.4.2017. Health Insurance cover can be purchased by every person between the age of 6 and 65 who is in good health. Together with the Basic Health Insurance cover, one can also purchase Additional Health Insurance cover and Optional (1) and (2) covers. One can purchase Additional and Optional covers only after he/she has purchased 1 unit of Basic Health Insurance cover. The units of the Optional Health Insurance covers must not exceed the units of Basic Health Insurance cover purchased. After one unit of Basic Health Insurance cover has been purchased, one unit to eight units of the Additional Health Insurance cover and one unit to ten units of Optional Health Insurance covers (1) & (2) could be freely purchased according to one's consent. The table of the rate of premium for Health Insurance is shown as the appendix. The policy term is 1 year. For 1 unit of Basic Health Insurance cover, the insured could request 20,000 kyats per day up to the maximum 60 days in the case of accidental hospitalization. 2,000,000 kyats could be claimed in the case of death by accident. 1,000,000 kyats could be claimed in the case of death by disease and in the case of total disability.

For 1 unit of Additional Health Insurance cover, the insured can claim 10,000 kyats per day up to maximum 60 days of hospitalization expenses. And kyats 1,000,000 could also be claimed for the accidental death, death by disease and total disability. For 1 unit of Optional Health Insurance cover (1), the insured could claim the actual expense of surgical case and/or minimum of 500,000 kyats. In the case of losing pregnancy, the insured could claim 300,000 kyats, and maximum of 500,000 kyats where surgical case is needed. For 1 unit of Optional Health Insurance cover (2), kyats 1,000,000 could be claimed in the case of tumor which can lead to cancer, paralysis and heart failure. The insured must inform the insurer for his/her hospitalization and he/she could claim the benefit during 10 days of post-hospitalization period. Health Insurance could be underwritten through insurance agents. 10% of the premium is the commission for the agents. The insured must submit the requirements for the benefit requested by the insurer in 3 months. If not, the insured would lose his/her benefit.

v. Government personnel life assurance

Government Personnel Life Assurance shall affect compulsory life assurance under Chapter VI, Section-13 of the Myanmar Insurance Law 1993. Limitation of age of insured is from 18 to 57. Government servants under the age of 50 shall affect compulsory life assurance. Government servants over the age of 55 are exempt from compulsory life assurance. Government Personnel Life Assurance (Short Term) policy can be purchased for 3, 5- or 10-year terms. The certain proportion of the benefit is included in every maturity claim for this product. The maximum sum insured is kyats 30 million. Premium is calculated based on the term of insurance policy and sum insured. If the proposer set the sum insured under kyats 2,000,000/-, he or she is exempt from having the medical check-up. If the sum insured is over kyats 2,000,000/-, he must make medical check-up by a specialist. Premium payable by the assured shall not be exceeded 15% of his/her monthly salary under Chapter II, Section – 3 of the Life Insurance Rules. If a person purchased 1 million sums assured for 10 years policy at the age of 30, he or she can claim the maturity benefit of total 1.2 million at the age of 40.

vi. Farmers' life assurance

Farmers' Life Assurance has been started to underwrite on July 10, 2017. This is term life assurance and everyone can purchase freely. Farmers, their family members, relatives, helpers and others can purchase this insurance. Age limit is from 16 to 60. Policy term is 1 year and can be extended yearly. Premium rate is calculated as 1 % of the sum insured. Minimum sum insured is 100,000/- kyats and the maximum sum insured is 5,000,000/- kyats. 100% of the benefit can be claimed in the case of death of the insured and the total permanent disability. In the case of accidental injury, the benefit may vary in proportion according to the remark of the doctor and specialist in the medical treatment document and certain proportion described in the policy would be claimed. For the sum insured of 100,000/- kyats, the compensation for the hospitalization expenses is that 2,000/- kyat per day (5 days for 1 time) and the compensation covers for 3 times of hospitalization in 1-year term. 10% commission on the premium is allowed.

vii. Short down endowment assurance

A citizen can purchase this policy voluntarily. Limit of age is from 10 to 60. The minimum sum insured is kyats 1,000,000/- and the maximum sum insured, kyats 50 million. Every proposer needs to have a medical check-up by a specialist. (Medical

report in respect of X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B, Hepatitis C is to be submitted.)Premium can be paid in quarterly, biannual or annual installment. Public life assurance policy can be purchased for 5, 7- or 10-years term. Insurance cover commences the date of premium payment starts.

viii. Group life insurance

Anybody who is in good health age from 10 years to 55 years can assure. Public means employees from each organization except from government employees and army employees. Everybody can assure from at least 50000 Kyats to at most lakh 300 Kyats. Term can be choosing from 5 years to 50 years. Every assurer needs medical report by Insurance recommended specialist. Premium can be paid monthly (or) 3 months (or) 6 months, yearly. The term is start from the first premium paying date.

ix. Sportsmen life insurance

All sport men who are from age 10 to 60 years from each region can assure. Term is only one year. They can buy one unit for 5000 Kyats and one can buy till five units. The insured must be in good health physically.

x. Snake bite insurance

Snake Bite is a kind of risk which can be met not only in rural areas but also in urban areas. Instead of curing the snake bite injury with the folk medicines this policy is designed for the victim in case of snake bite. Its purposes are to rely on and go to the hospital, to get the incurred expenses back due to the snake bite and to get the compensation from this coverage in case of loss of life. Sum Insured for Minimum one unit is Kyats 0.5 million and maximum (10) units is Kyats 5million. No age limit and everybody are entitled to buy this policy. The adult can buy this policy for the minor. No territory limit and premium rate for one unit of Kyats 0.5 million is Kyats 500/-. The term of policy is one year.

xi. Seamen life insurance

Seamen life assurance has been underwritten since 1.7.2003. Seamen life assurance can be purchased by all seamen between the age of 18 and 60 who depart to work on ocean-going ships. If the sum insured is Kyats 5,000,000/-, the premium will be Kyats 25,000/-for 1 unit of 1- year-term. Seamen life assurance can be purchased

from 1 unit to 4 units. Insurance cover commences on the date of premium payment starts. The number of passport and copies of seafarer's identification and record book (C.D.C) and the medical report is to be submitted. If the proposer is in good health in the case of over age 60, he can purchase this insurance by applying additional premium Kyats 5000/-.

The insurance covers only death within its term. The proposer can mention the nominated beneficiary in the proposal. This insurance does not cover death arising from suicide, committing the offences, using the narcotic drug and deserting from the ship. If the corpse of the insured is not found due to various reasons, the benefit of life assurance will be suspended for two year after the accident. The beneficiary must claim within one month if the insured died. If not Myanmar Insurance will deduct 10% fine from the total claim amount.

xii. Shore job life insurance

Shore Job life assurance has been underwritten since 17.12.2004. Shore Job life assurance can be purchases by the workers between (the age of 18and 60) whom are dispatched by a company which is officially registered in Myanmar. Good health identity is needed (or) the proposer must have a medical check-up by a doctor nominated by Myanmar Insurance. The sum insured is Kyats 5,000,000/- for one year - term, and the premium is kyats30,000/-. Sum insured can be set up to 20,000,000. Passport copy of the insured is to be submitted. Insurance cover starts on the next day 33 after the premium payment date. Insurance covers for death and Injury. If the insured died within the term, his beneficiary shall obtain Kyats 5,000,000 as benefit. This insurance does not cover death arising from suicide, committing offences, using the narcotic drug and working illegally in other companies or factories.

xiii. Weather index insurance

According to the project by Myanmar Insurance supporting by Sampo Japan, fields are at Shwebo and Pyay Region. During the pilot project will perform work proposal forms, premium rates, policy, receipt insurance, check and issue compensation systems.

xiv. Education life insurance

The premium fee for Education Life Insurance ranges from minimum 5 million Kyats to maximum 10 million Kyats, and those aged from 18 to 56 are eligible to buy

this service. Not only parents but also their relatives are eligible for this product. This is saving type life insurance and aims to have the habits of money saving for the educations of children. If the user happened death or disabled forever with insurance period, their children would be benefit continuously till educated. The users need to have medical checkup to buy this product. Insurance Period is rating to 9 years, 11 years and 14 years respectively. The product included two plans that basic allowance and double allowance.

3.4 Motor insurance

Motor insurance can be categorized into two groups, namely Third-Party Liability Insurance and Comprehensive Motor Insurance.

i. Third party liability insurance

Third Party Liability Insurance was provided by law and implemented on July 1, 1976. It is an insurance system that the liability for death or bodily injury or property damage caused to any other person in the event of an accident occasioned by arising out of the use of the vehicle is transferred to Myanmar Insurance on behalf of the vehicle of the owner.

The premium rating and the compensation amount are updated on August 1, 2016. The update premium rating may be different depending on the loaded passengers and the weight of vehicle (Tons). The premium is Kyats 5000.00 for minimum and Kyats 10000.00 for maximum for private vehicle. The premium is Kyats 10000.00 for minimum and Kyats 15000.00 for maximum for commercial vehicle. The update maximum compensation amount is as follows:

For death caused to any other person	Kyats	1,000,000.00
For bodily injury caused to any other person	Kyats	800,000.00
For property damage caused to any other person	Kyats	500,000.00

From the year 1997, the cross-border area (Myawady, Muse and Tachilek) has implemented Third Party Liability Insurance with the updated the premium rating in order to get coverage for Myanmar people if the loss caused to them in the event of an accident occasioned by arising out of the use of the vehicles from the other boundaries entering into Myanmar.

ii. Protocol-5 (ASEAN scheme of compulsory motor vehicle insurance)

According to ASEAN Framework Agreement on the Facilitation of Goods in Transit and GMS Cross-Border Transport Agreement, the cross-border vehicles must be provided for carrying goods not only to ASEAN countries but also to China and India. Third Party Compulsory Cover is being provided at Myanmar Cross-border check-points such as Tamu, Myawady, Tachilek and Muse and we are now implementing to pass into China and India, too. After Blue Card is ratified by ASEAN countries, the implementation of Protocol-5 will be started to provide and Myanmar has now finished for ratification. Although Myanmar is not a member of ASEAN Insurance Council-AIC now, we are trying to organize Myanmar Insurance Council at first and then will join to AIC later. Myanmar Insurance is trying to implement to sell insurance cover via online and we are providing that cover at transit areas now.

For preventing the use of fraud Blue Card, Web-based (Electronic Underwriting) will be used and we are trying to provide to have a good connection at transit areas. To purchase TPL Insurance Cover at cross-border checkpoints, the customer must present the vehicle's documents such as owner book, wheel-tax, Driving License that must be valid. The insurance cover will start when the vehicle enters into Myanmar and the term will be one month. After leaving from Myanmar, the cover is not effective and the premium will be charged if it entered into Myanmar again.

The premium is calculated based on the nature of vehicles (e.g. small, medium and large) and the premium is Kyats 30000.00, 50000.00 and 70000.00 with Myanmar Currency. At 1.8.2016, the update compensation amount was as follow:

- The maximum compensation amount for bodily injury per person is Kyats 1,000,000.00
- The maximum compensation amount for death per person is Kyats 1,000,000.00
- The maximum compensation amount for any one occurrence is Kyats 80 million

To implement Customs Transit for Protocol-5, Myanmar Insurance is often holding the pre-meetings with respective departments such as Land and Transport, Immigration and Customs. To make inspection at cross-border checkpoints, Myanmar Insurance has provided to join and implement with respective departments. Instead of short-term policies, annual policies will be provided later for regular customers. Myanmar is now providing Compulsory Insurance Cover but not Voluntary Insurance

Cover yet. To be fulfilling the implementation of Protocol-5 within timeframe, Myanmar is trying not only to provide the agreements with other member countries but also prepare the needs of technical assistance. In order to provide the underwriting and claim settlement for cross-border vehicles conveniently and quickly, Myanmar will accept and store the vehicles' information into ACMI database via online. The cross-border checkpoints such as Myawady, Muse, Tachilek and Kalay (Tamu) are being provided to use internet in order to know the information when the claim occurs.

iii. Comprehensive motor insurance

Comprehensive motor insurance is a voluntary insurance. The insurance term is one year in maximum and the period can choose three-month, six month or nine months either. Comprehensive motor insurance has been underwritten in not only local currency but also foreign currency. Comprehensive motor insurance policy, which has been sold in local currency since 1957, has been modernized as World Class Comprehensive Motor Insurance in 1998.

Comprehensive motor insurance policy has been sold in foreign currency since 1996. Comprehensive motor insurance policy sold in foreign currency has been reinsured with reinsurance companies under the reinsurance treaty; however, all matter including settlement of the claim is decided by Myanma Insurance as its options.

The benefits getting from insurance are as follows:

- a. For insured vehicle,
 - By accidental collision or overturning
 - By impact damage caused by falling objects
 - By fire, external explosion
 - By malicious act
 - Whilst in transit by road, rail, inland waterway
 - Strike, Riot and Civil Commotion

- b. For the vehicle and property of Third Party

The maximum compensation amount for death or bodily injury caused to any other person in the event of an accident occasioned by arising out of the use of the insured vehicle is Kyats One Million (Ks. 1,000,000.00)(The maximum compensation amount for any one occurrence is Kyats 50 Million (Ks. 50,000,000.00)

The premium can be calculated depending on the vehicle's sum insured, Cubic Capacity, Uploaded passengers, private or commercial vehicle. For example, if the sum insured for a vehicle is Kyats 10 Million(Kyats 10,000,000.00), the premium rating for that vehicle may be about 1.1% for private and about 1.6% for commercial vehicle. (Additional Cover – Acts of God, War risk, Theft, Nil Excess and including Windscreen value Kyats 100,000.00)

3.5 Fire, miscellaneous and engineering insurance

Fire insurance covers the properties as buildings, machinery, furniture, stocks and equipment owned by the state, cooperatives, joint-ventured companies or the public against the loss or damage due to the fire and allied perils. Any person who has the legally recognized relationship to the property can insure his or hers. The properties which are difficult to value are not allowed to be insured.

i. Fire insurance

The insurance period ranges from 10 days to one year. Buildings are categorized into four classes. The premium is calculated in accordance with the tariff based on the classes of the insured building and its surrounding buildings located within 25 feet to 50 feet.

The following additional covers can be purchased together with the fire cover.

- Riot, Strike and Malicious Damage
- Earthquake Fire and Earthquake Shock
- Explosion
- Spontaneous Combustions
- Storm, Typhoon, Hurricane, Tempest, Cyclone
- Flood and Inundation
- Air Craft Damage Impact Damage Subsidence and Landslide
- Burglary
- War Risk

i. Engineering insurance

1. Contractor's all risk insurance (CAR)

It gives coverage for both damage of property and third-party liability insurance from the time of collecting construction material to the construction site to the time of handover after the contract works. The design fault is not allowed to claim. The sum

insured is contract value. The value of machines and equipment at the site can also be added to sum insured. The period of insurance is minimum 3 months and maximum 5 years. The premium rate ranges from 0.15% to 0.518%.

2. Erection all risk insurance (EAR)

The EAR covers start from the time of the arrival of construction materials to the site to the time of testing and commissioning after the installation and erection. The design fault is not allowed to claim. The testing period is allowed to 2 weeks. The period of insurance is minimum 3 months and maximum 5 years. The premium rate ranges from 0.15% to 0.518%.

3. Machinery insurance

Machinery and equipment's break down, non-standardization, design fault, damages due to the unskillful workers, malicious damage, and electrical breakdown, natural disasters are covered. The premium rate ranges from 0.3 % to 0.4%.

ii. Miscellaneous insurance

1. Fidelity insurance

Fidelity insurance is designed to indemnify the employers against the loss of money or misappropriation of the employees assigned as cashiers in public, cooperative and private sectors. The period of insurance is one year. The premium rate for government employees is 1 % and 2 % for the employees of cooperative and private entities.

2. Cash-in-safe insurance

Cash-in-Safe Insurance indemnifies the insured against the burglary of money kept in the premise by the public, cooperative and private enterprises. The insurance period varies from one day to one year. The premium rate for government and private banks ranges from 0.2% to 0.5% and from 0.5 % to 1% for cooperative and private entities.

3. Cash-in-transit insurance

Cash-in-transit insurance covers the loss of money due to the robbery or theft during the transit from one place to another by government, cooperative and private enterprises. The sum insured is the amount of sum carried at one time. The premium is

charged, based on the miles of distance and discount is offered based on the specifications. The premium rate ranges from 0.2% to 1%.

4. Burglary insurance

Burglary insurance covers the loss of property due to the burglary. It can be purchased together with the fire insurance. Burglary means stealing the property either by breaking in the roof, wall, floor, door or window or destroying the lock, In case of burglary; it must be filed at the police-station in the respective township. The premium rate is charged, based on the structure of the building where insured properties are kept. The premium rates range from minimum 0.25% to maximum 1%.

iii. Liability insurance

1. Miner s' liability insurance

Those who are between the ages from 18 to 60 can take out this insurance. The sum insured is Ks. 500,000/- per unit and maximum -4 can be bought. In the event of death, the benefit is up to the sum insured and in the event of bodily injury the benefit is up to 80 % of the sum insured. The premium is Ks. 3,500/- per unit and its policy term is one year.

2. Comprehensive general liability insurance

Businessmen or contractors take out these kinds of insurance against the liability arising from the death bodily injury or property of third party due to his negligence or that of his employees in the course of work or of the performance of their duty. The Maximum limit of liability can be described in the proposal form. The maximum limit of liability for death, injury or property damage is designated fixed. This kind of insurance policy can be purchased in (terms of) US Dollar. The Premium rates are fixed subject to the limit of liability. The limits of liability ranges from Ks. 20 million to Ks. 2,500 million in Kyat and from USD 20000 to USD 2500000 in USD. Premium rates range from 0.2 % to 0.45% accordingly.

v. Deposit insurance

Deposit insurance has been underwritten since 1st October, 2011 so that people do not lose the deposit at the banks, banks can obtain more deposit by creating the people's trust in banks, increase the capacity of granting more loans in parallel and then increase their income. It is the banks that take out the insurance for those who deposit

from Ks. 100,000/- to Ks. 1,000,000/- per head. The premium rate constitutes 0.12%. In case of bankruptcy, Myanma Insurance will indemnify the depositors directly or through the banks up to 60% of the sum insured.

vi. Credit guarantee insurance

Credit guarantee insurance has been underwritten since 2015 so that bank can grant the loans to the small and medium enterprises for their development by taking out the insurance as a guarantee against the financial default. The premium rates for credit guarantee insurance with collateral constitutes 2 % for first year, 1.5 % for second year and 1% for third and consecutive year. The premium rates for credit guarantee insurance without collateral constitute 3% for first year, 2.5 % for second year and 2% for third and consecutive years.

3.6 Marine, aviation & travel insurance

The types of insurance which are underwritten by Marine, Aviation and Travel Insurance Department are as follows:

- (1) Marine Cargo Insurance,
- (2) Marine Hull & Machinery Insurance
- (3) Travel Insurance
- (4) Aviation Insurance, and
- (5) Oil & Gas Insurance

The main classes of Marine, Aviation and Travel insurance products include Marine Cargo Insurance, Marine Hull Insurance, Travel Insurance and Aviation Insurance.

Marine cargo insurance covers not only goods carried by ship, but also by road, rail, air and _ frequently_ post. Voyage policy is also underwritten. Total loss only and All Risks are conducted by the maximum insured value up to 1000 million kyats.

Premium rates for total loss only

- | | | |
|--------------------------------|---|-------|
| • Inland waters (or) By road | - | 0.14% |
| • Coastal (Oct 16 to April 30) | - | 0.28% |
| • Coastal (May 1 to Oct 15) | - | 0.56% |
| • By road for petroleum | - | 0.28% |

- By road for breakable cargo - 0.80%

The vessel carrying the insured cargoes is covered only when that vessel is sunk and the cargoes are totally lost by natural disaster (or) accident with an unforeseeable object (or) fire. It is similarly covered for inland transport by the accidental damage and total loss only, not that for partial loss. (Institute Cargo Clause (CL-254))

Premium rates for all risks

This insurance covers for Export and Import.

General Cargo	-	0.56%
Breakable cargo, Fertilizer (powder)	-	0.80%
Additional Premium		
• Transshipment	-	0.28%
• Via	-	0.14%
• Suez	-	0.0375%
• War Zone & Surcharge	-	0.05%

Partial Loss is covered since it is the widest one among insurance covers. It covers not only damage due to marine perils but also that due to 16 types of risks. (Institute Cargo Clause (CL-252))

i. Marine hull & machinery insurance

Marine Hull, and Machinery and Electronics on vessel, can be insured, moreover, Pontoon and Wharf are also. For them, two types of covers - Total Loss Only and All Risks are underwritten. Total Loss only is underwritten for private vessels and duration of cover is from one month to one year in addition to a voyage.

Premium rates for total loss only

The insured needs to do his utmost good faith to fill the particulars of the proposal form about the insured vessel. Licenses and photos of the vessel, certificate and profile of captain, and value of the vessel must be attached with the proposal form. If the age of the vessel is over 20 years, 10% must be added to the basic premium.

Steel Hull	-Inland waters	-	1.0%
	- Inland fuel	-	1.2%

	- Coastal cargo	-	1.4%
	- Coastal petroleum/ Fishery	-	1.6%
Wooden Hull	-Inland cargo	-	1.4%
	-Coastal cargo	-	1.8%
	-Coastal Fishery	-	2.0%

This insurance covers total loss damage caused by natural disaster or accident. (Institute Time Clause (CL-289)) Departmental and oversea vessels are underwritten by All Risks cover. Premium rate is from 2% to 3%. (Institute Time Clause (CL-280))

iii. Travel insurance

The Travel Insurance is in the event of the accident caused by any vehicle/ vessel/ aircraft on the route against of the death or bodily injury to insured person as per policy conditions. Kinds of Travel Insurance are:

1. Highway Special Travel Insurance
2. Air Travel Insurance
3. Tour Operator Travel Insurance
4. Pilgrimage Travel Insurance
5. Tourist Travel Insurance

The following information is required for Travel Insurance:

- (1) Insured Name
- (2) Father's Name
- (3) Passport No./ N.R.C No.
- (4) Permanent Address
- (5) Journey Destination
- (6) Journey Period (From/ To)
- (7) Sum Insured
- (8) Beneficiary Name
- (9) Relationship
- (10) Father's Name
- (11) Passport No./ N.R.C No.
- (12) Permanent Address

Full benefit paid to the nominated beneficiary in the event of death of the proposer caused by accident during the duration of this cover. For injury, appropriate

amount of benefit based on the extent of injury shall be paid. Premium rates are following:

For Highway Special Travel Insurance, the insurance cover can buy from minimum premium Kyats-10 to maximum Kyats-300.

For Air Travel Insurance, the benefits of insurance cover provide Kyats-5,000,000 on premium Kyats-500 for voyage from airport to airport.

In foreign currency, the benefit for minimum one unit is USD 2,500 and maximum twenty units is USD 50,000.

Premium Rate	For One Unit
One Week	USD 2.00
Two Weeks	USD 2.50
Four Weeks	USD 3.00
Two Months	USD 4.00
Three Months	USD 5.00

Plus Additional Air Risks – USD 2.00 per person.

The followings are the exclusions:

- a. any defect or infirmity suffered by the Insured;
- b. suicide;
- c. intentional self- injury;
- d. unrelated of accident of vehicle childbirth or pregnancy in case of woman;
- e. any breach of law with criminal intent;
- f. using narcotic drugs;
- g. war, strike, riot, and civil commotion;

ii. Aviation insurance

In Myanmar, there are seven airlines, which are operating with 35 aircrafts. Generally speaking, most of the domestic flights are insured with Myanmar Insurance against hull & liability insurance, crew & passenger personal accident, war & hijacking risks insurance and deductible insurance. Some domestic flights and international flights are insured with international aviation insurance markets through Myanmar Insurance.

3.7 Reinsurance

Myanmar Insurance has a substantial reinsurance cover. It has Marine Excess of Loss Reinsurance Treaty and Fire Excess of Loss Reinsurance Treaty. Myanmar

Insurance reinsures its larger portion of the liabilities assumed with reputable international reinsurance companies. In doing so, we use two types of reinsurance methods. Marine and Fire insurance business are ceded under the excess of loss treaties and aviation and oil & gas business are ceded under facultative insurance.

Usually during the month of December every year, tenders are invited from internationally well-known and reputable international insurance brokers to submit premium rates and terms & conditions for marine & fire classes for the underwriting year commencing April 1, next year. After a close scrutiny of the bids thus put up, having regard to such important points as continuity, market conditions, financial position of the tenders, etc. bids are selected by Myanmar Insurance Management Committee and contracts are executed for the coming treaty year.

Since 2018, some risks underwritten by Myanmar Insurance are insured in the international insurance markets through reinsurance brokers. Myanmar Insurance reinsure some business overseas and in doing so, subject to 15% commission on R/I premium, Myanmar Insurance cede the risk with its 30% retention if the Sum Insured is under USD 8.00 million but Myanmar Insurance retain USD 2.5 million if the Sum Insured exceeds USD 8.00 million.

Oil & gas reinsurance

All oil & gas companies doing business in Myanmar under the permit of the Foreign Investment Law are to insure their oil & gas business with Myanmar Insurance. Myanmar reinsure these businesses in the international markets. The main reinsurers who accept the oil and gas reinsurance business are TRS. The business style is treaty.

CHAPTER 4

RESEARCH METHODOLOGY

The aim of this study is to analyze on income contribution of insurance products in Myanma Insurance. Accordingly, the five main insurance products from Myanma Insurance are selected for the study. In order to analyze the income for each product, the secondary data are collected for this study. Descriptive analysis is performed in order to show the income contribution of insurance products in Myanma Insurance.

4.1 Research design

The research approach chosen for the present study quantitative research is applied in this study by analyzing income contribution of insurance products in Myanma Insurance. Descriptive research is show the income contribution among five main insurance products analyzing to arrive at conclusion and recommendation.

Secondary data are collected from respective annual reports of Myanma Insurance, Myanmar Insurance Association (MIA) and Financial Regulatory Department (FRD) for the financial period is 2000-2001 to 2018-2019, journals,

websites, previous research papers and literatures which are relevant to this study. Obtained data is analyzed to find out the income contribution of insurance products in Myanmar Insurance.

There are several kinds of insurance products in Myanmar Insurance and it can be organized into five main groups. The current study focuses only five main groups of insurance products. The data was collected from Myanmar Insurance on September 2019. Data was organized by income, expenses and profit.

4.2 Analysis on the ratio of income and expense on insurance products in Myanmar Insurance

Myanmar insurance collects income from five main insurance products namely; life insurance products, motor insurance products, fire insurance products, marine, aviation & travel insurance products and reinsurance insurance products.

For life insurance products, there are 14 kinds of life insurance products. For motor insurance products, there are two kinds of products. For fire insurance products, there are six kinds of products. For marine, aviation & travel insurance products, there are five kinds of products. For reinsurance products, there are so many kinds of insurance products.

Among these insurance products, some products are the traditional products and others are innovative products which are demand by the customers. The products which are popular in public can get the highest income so that Myanmar Insurance is trying to create the new products matching the customers' needs.

4.2.1 Life insurance products

For life insurance products, there are 14 kinds of life insurance products. Among them, the income for government personnel life assurance is the highest position on life insurance products. Health insurance and shore job life insurance are the second positions and public life assurance is the least one. This is because the bonus or interest can be got from government personnel life assurance. Public life assurance is the lowest premium because the health examination is needed to provide

Table (4.1) Income of life insurance products (1999/2000-2018-2019)

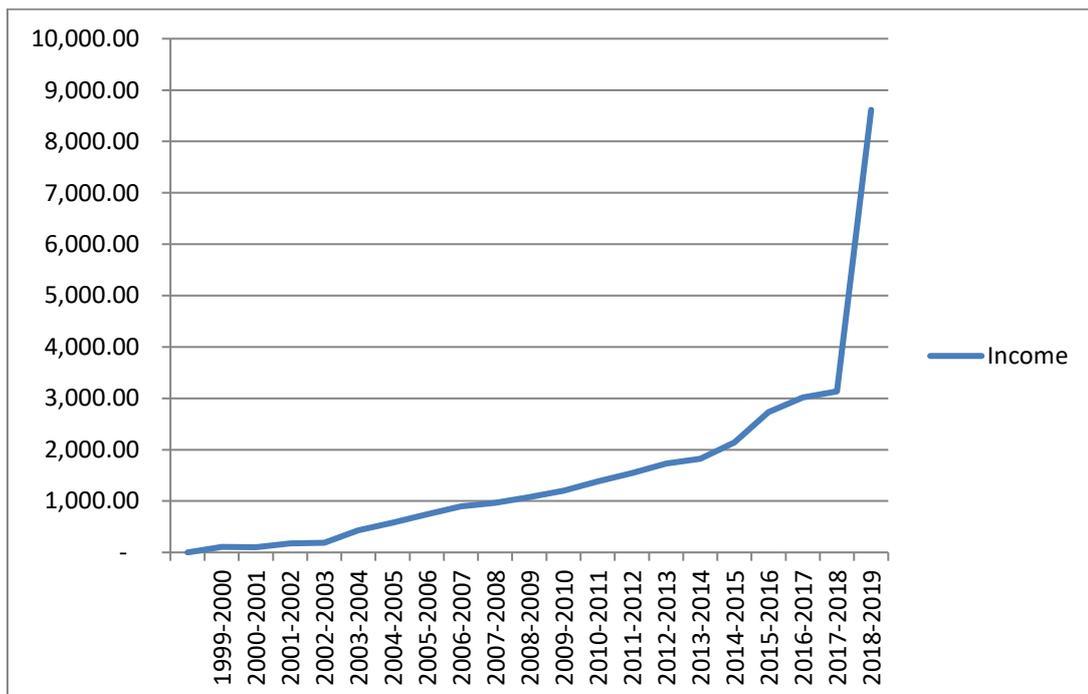
(Kyats Million)

Sr. No.	Years	Income	Expense	Profit
1	1999-2000	107.90	96.86	11.04
2	2000-2001	103.12	104.41	(1.29)
3	2001-2002	176.84	59.44	117.40
4	2002-2003	190.43	49.01	141.42
5	2003-2004	432.41	68.89	363.52
6	2004-2005	578.74	137.61	441.13
7	2005-2006	743.14	228.56	514.58
8	2006-2007	895.70	450.39	445.31
9	2007-2008	967.06	389.88	577.18
10	2008-2009	1,074.71	355.81	718.90
11	2009-2010	1,200.77	377.31	823.46
12	2010-2011	1,383.63	358.90	1,024.73

13	2011-2012	1,545.39	518.10	1,027.29
14	2012-2013	1,731.78	863.00	868.78
15	2013-2014	1,824.60	540.81	1,283.80
16	2014-2015	2,142.55	586.17	1,556.38
17	2015-2016	2,730.91	606.82	2,124.10
18	2016-2017	3,018.35	928.01	2,090.34
19	2017-2018	3,134.24	1,514.30	1,619.94
20	2018-2019	8,614.35	1,929.32	6,685.04

Source: Survey data (2019)

Figure (4.1) Income of life insurance products (1999/2000-2018-2019)



Source: Survey data (2019)

According to the table (4.1), the income from life insurance products is increasing from year to year. Till the year 2008, the premium income is less than 100 Million Kyats, from the year 2009 to 2014, the income increases up to over 1800 Million Kyats. From 2015 to 2019, the income is increased up to over 5000 Million Kyats.

4.2.2 Motor insurance products

For motor insurance products, there are two kinds of products namely; comprehensive motor insurance and third-party liability motor insurance. Among these two insurance products, the income for third-party liability motor insurance is highest because its product is the compulsory that is provided by law.

Table (4.2) Income of motor insurance products (1999/2000-2018-2019)

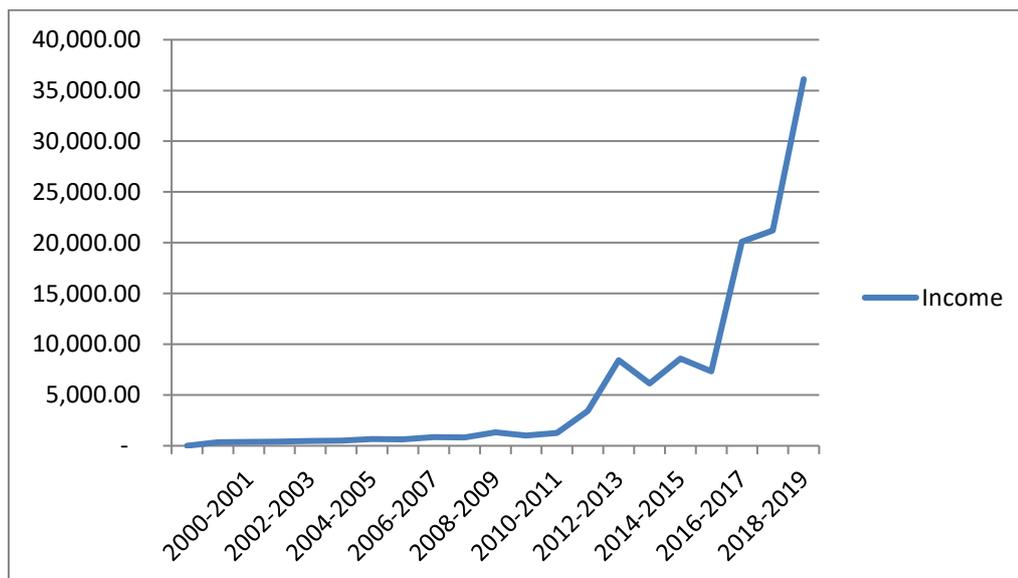
(Kyats Million)

Sr. No.	Years	Income	Expense	Profit
1	1999-2000	351.77	18.24	333.53
2	2000-2001	380.36	19.61	360.75
2	2001-2002	414.72	27.60	387.12
3	2002-2003	479.16	42.89	436.27
4	2003-2004	503.32	55.10	448.22
5	2004-2005	679.13	59.09	620.04
6	2005-2006	641.25	77.79	563.46
7	2006-2007	857.47	95.86	761.61
8	2007-2008	812.76	137.41	675.35

9	2008-2009	1,330.06	158.12	1,171.94
10	2009-2010	1,016.31	180.14	836.17
11	2010-2011	1,261.57	151.22	1,110.35
12	2011-2012	3,441.78	472.00	2,969.78
13	2012-2013	8,431.62	629.27	7,802.35
14	2013-2014	6,127.66	1,125.60	5,002.06
15	2014-2015	8,582.59	1,130.60	7,451.99
16	2015-2016	7,348.07	920.92	6,427.15
17	2016-2017	20,114.61	1,159.27	18,955.34
18	2017-2018	21,218.95	2,111.94	19,107.01
19	2018-2019	36,111.36	3,324.06	32,787.30

Source: Survey data (2019)

Figure (4.2) Income of motor insurance products (1999/2000-2018-2019)



Source: Survey data (2019)

According to the table (4.2), the income from motor insurance products is increasing steadily from year to year. Until the year 2008, the premium income is less

than 1000 Million Kyats. But, from that year to the year 2011, the income increases up to over 1000 Million Kyats. During the years from 2012 to 2018, the income is increases sharply up to over 21000 Million Kyats. In the year 2018-2019. The premium income is 17,837 Million Kyats.

4.2.3 Fire insurance products

For fire insurance products, there are six kinds of products namely; fire insurance products, engineering insurance products, miscellaneous insurance products, liability insurance products, deposit insurance products and credit guarantee insurance products. Among them, the income for fire insurance products is the highest position on fire insurance products because of the bank loans in constructions. The income for credit guarantee insurance products is the least one because of the needs for recommendations from Ministry of Industry to buy insurance cover.

Table (4.3) Income of fire insurance products (1999/2000-2018-2019)

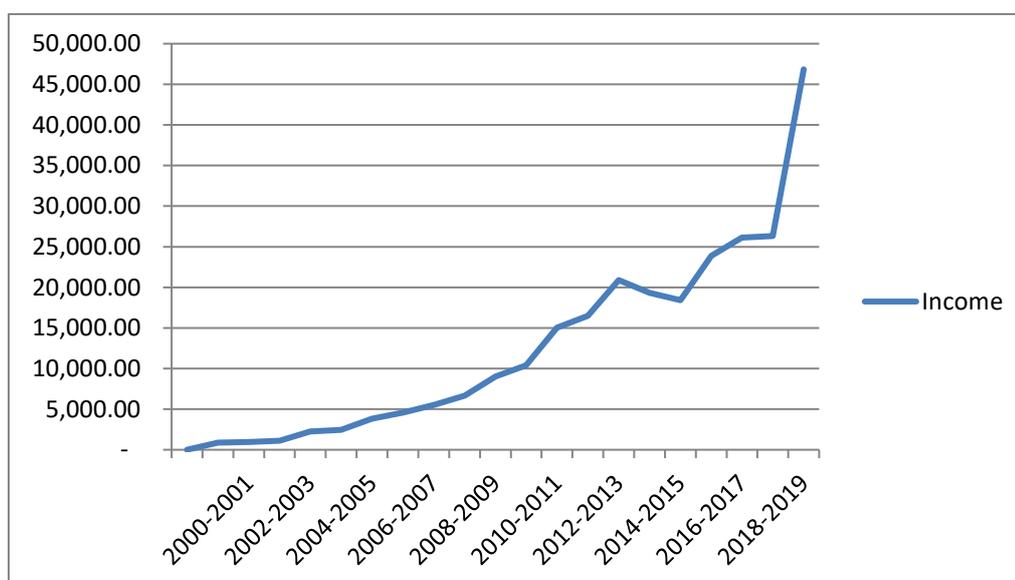
(Kyats Million)

Sr. No.	Years	Income	Expense	Profit
1	1999-2000	870.27	17.68	852.59
2	2000-2001	951.40	17.72	933.68
3	2001-2002	1,112.24	267.34	844.90
4	2002-2003	2,270.34	146.35	2,123.99
5	2003-2004	2,438.28	146.98	2,291.30
6	2004-2005	3,828.02	244.17	3,583.85
7	2005-2006	4,560.40	382.33	4,178.07
8	2006-2007	5,534.03	332.63	5,201.40

9	2007-2008	6,672.92	152.38	6,520.54
10	2008-2009	9,027.60	4,736.89	4,290.71
11	2009-2010	10,394.26	1,862.18	8,532.08
12	2010-2011	15,014.73	208.04	14,806.69
13	2011-2012	16,471.08	370.77	16,100.31
14	2012-2013	20,893.12	1,719.20	19,173.92
15	2013-2014	19,317.08	1,241.81	18,075.27
16	2014-2015	18,405.18	1,208.62	17,196.56
17	2015-2016	23,872.20	2,013.86	21,858.34
18	2016-2017	26,116.98	2,841.55	23,275.43
19	2017-2018	26,310.91	3,736.25	22,574.66
20	2018-2019	46,845.10	2,168.01	44,677.09

Source: Survey data (2019)

Figure (4.3) Income of fire insurance products (1999/2000-2018-2019)



Source: Survey data (2019)

According to the table (4.3), the income from fire insurance products is increasing from year to year. Until the year 2001, the premium income is less than 1000 Million Kyats. From the year 2002 to the year 2009, the income is less than 10,000 Million Kyats. From the year 2000 to 2018, the income is increases sharply till up to over 25,000 Million Kyats. The premium income for the year 2019 is over 28,000 Million Kyats.

4.2.4 Marine, aviation & travel insurance products

For marine, aviation & travel insurance products, there are five kinds of products namely; marine cargo insurance products, marine hull insurance products, travel insurance products and aviation insurance products. Among them, the income for marine cargo insurance products is the highest position on marine, aviation & travel insurance products because of transportation of goods by land, by air and by shipment. The income for marine hull insurance products is the least one because there are very few numbers of ships in Myanmar.

Table (4.4) Income of marine, aviation & travel insurance products (1999/2000-2018-2019)

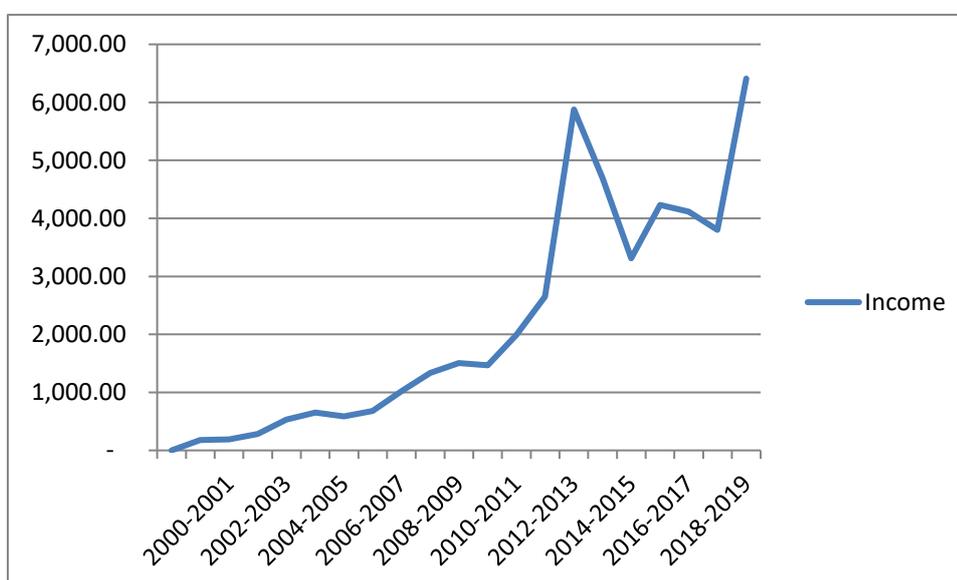
(Kyats Million)

Sr. No.	Years	Income	Expense	Profit
1	1999-2000	177.19	64.49	112.70
2	2000-2001	189.96	59.66	130.30
3	2001-2002	281.63	108.18	173.45
4	2002-2003	530.23	162.53	367.70
5	2003-2004	649.48	121.82	527.66
6	2004-2005	585.66	123.08	462.58
7	2005-2006	678.85	194.36	484.49

8	2006-2007	1,022.24	129.97	892.27
9	2007-2008	1,335.91	260.17	1,075.74
10	2008-2009	1,503.63	1,260.66	242.97
11	2009-2010	1,467.37	132.61	1,334.76
12	2010-2011	1,988.54	197.91	1,790.63
13	2011-2012	2,650.72	250.00	2,400.72
14	2012-2013	5,875.26	410.88	5,464.38
15	2013-2014	4,695.36	271.63	4,423.73
16	2014-2015	3,309.03	305.99	3,003.04
17	2015-2016	4,229.01	300.45	3,928.56
18	2016-2017	4,116.71	144.65	3,972.07
19	2017-2018	3,803.52	618.65	3,184.87
20	2018-2019	6,409.58	204.82	6,204.76

Source: Survey data (2019)

Figure (4.4) Income of marine, aviation & travel insurance products (1999/2000-2018-2019)



Source: Survey data (2019)

According to the table (4.4), the income from marine, aviation and travel insurance products is increasing year from year. Until the year 2006, the premium income is less than 1,000 Million Kyats. From the year 2007 to the year 2012, the income is up to over 2,000 Million Kyats. In the year 2013, the income increasing is the highest getting over 5,800 Million Kyats. From at that time to the year 2019, the premium income decreases steadily.

4.2.5 Reinsurance products

For reinsurance products, there are so many kinds of insurance products such as fire, marine, oil & gas, life and comprehensive, etc. Among them, the income for oil & gas insurance products is the highest position on reinsurance products because the value of each well is very expensive.

Table (4.5) Income reinsurance products (1999/2000-2018-2019)

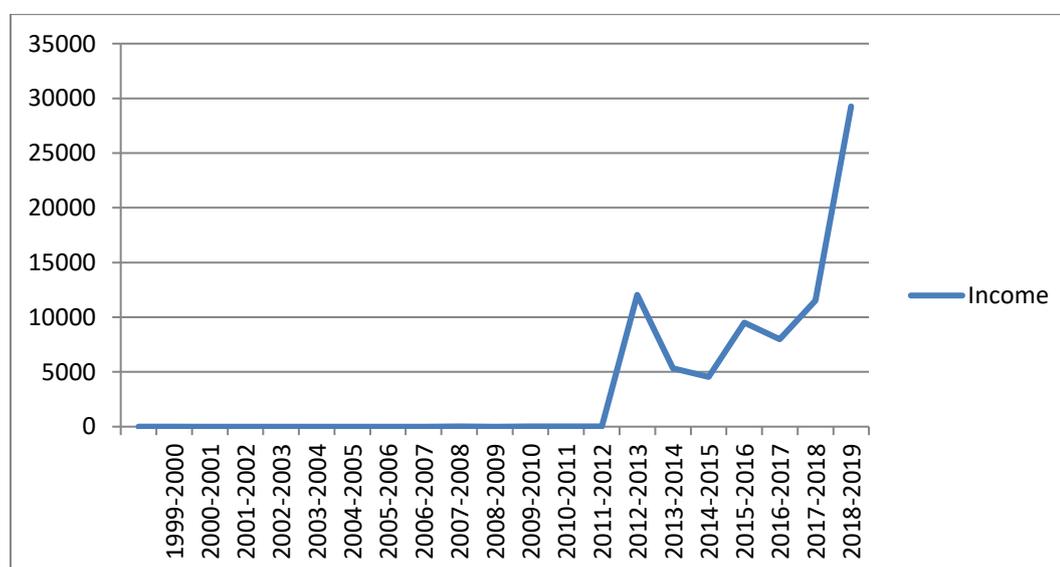
(Kyats Million)

Sr. No.	Years	Income	Expense	Profit
1	1999-2000	6.33	-	-
2	2000-2001	6.01	-	-
3	2001-2002	3.37	-	-
4	2002-2003	3.80	-	-
5	2003-2004	3.64	0.02	3.62
6	2004-2005	3.42	0.04	3.38
7	2005-2006	3.66	0.02	3.64

8	2006-2007	4.41	0.02	4.39
9	2007-2008	8.63	0.04	8.59
10	2008-2009	5.54	0.07	5.47
11	2009-2010	14.63	0.04	14.59
12	2010-2011	20.79	0.05	20.74
13	2011-2012	25.25	0.03	25.22
14	2012-2013	12,046.50	6.77	12,039.73
15	2013-2014	5,330.59	19.52	5,311.07
16	2014-2015	4,532.08	12.53	4,519.55
17	2015-2016	9,503.54	52.39	9,451.15
18	2016-2017	7,975.67	48.52	7,927.15
19	2017-2018	11,523.59	12.95	11,510.64
20	2018-2019	29,261.37	78.84	29,182.53

Source: Survey data (2019)

Figure (4.5) Income reinsurance products (1999/2000-2018-2019)



Source: Survey data (2019)

According to the table (4.5), the income from reinsurance products is increasing from the year to the year. Until the year 2012, the premium income is less than 17 Million Kyats. In the year 2013, the premium income is the highest getting over 9,000 Million Kyats. After that, the income decrease but the years 2018 and 2019, the premium income increases up to nearly 7,000 Million Kyats. There is no claim payment in the year 1999-2000 to 2002-2003 because at that time Myanma Insurance operates reinsurance as fronting business only but not taking retention.

4.2.6 Income of each insurance products from (2009/2010 – 2018/2019)

Income has included in five main types of insurance products; Life insurance, Motor insurance, Fire, miscellaneous and engineering insurance, Marine, aviation & travel insurance, and Reinsurance. Premium income has been accepted by Myanma Insurance. They are as described as table 4.6 and figure 4.6 as follows.

The above result of Myanma insurance income increasing has shown that the public sector's knowledge of insurance has been improved and trusted. Otherwise, it's base upon the economic reform. The market economy is allowed and private business sectors are also blooming and private sector insurance companies also activate. The table shows that premium and reinsurance incomes are improved.

Table (4.6) Income of each insurance products from (2009/2010 – 2018/2019)

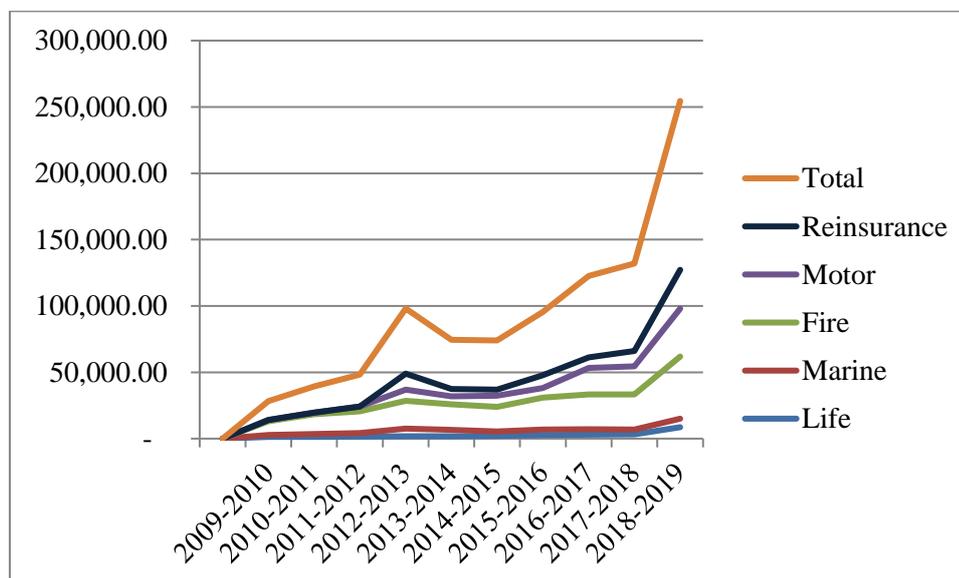
(Kyats Million)

Sr. No.	Years	Life	Marine	Fire	Motor	Reinsurance	Total
1	2009-10	1,200.77	1,467.37	10,394.26	1,016.31	14.63	14,093.34
2	2010-11	1,383.63	1,988.54	15,014.73	1,261.57	20.79	19,669.26
3	2011-12	1,545.39	2,650.72	16,471.08	3,441.78	25.25	24,134.22
4	2012-13	1,731.78	5,875.26	20,893.12	8,431.62	12,046.50	48,978.27
5	2013-14	1,824.60	4,695.36	19,317.08	6,127.66	5,330.59	37,295.29
6	2014-15	2,142.55	3,309.03	18,405.18	8,582.59	4,532.08	36,971.43
7	2015-16	2,730.91	4,229.01	23,872.20	7,348.07	9,503.54	47,683.73

8	2016-17	3,018.35	4,116.71	26,116.98	20,114.61	7,975.67	61,342.32
9	2017-18	3,134.24	3,803.52	26,310.91	21,218.95	11,523.59	65,991.21
10	2018-19	8,614.35	6,409.58	46,845.10	36,111.36	29,261.37	127,241.76

Source: Survey data (2019)

Figure (4.6) Income of each insurance products from (2009/2010 – 2018/2019)



Source: Survey data (2019)

In table 4.6 and figure 4.6 show that premiums are higher year on year. The life insurance has increased 1,200.77 (mio) to 8,614.35 (mio) from year 2009/10 to 2018/19. The marine insurance also has increased in up to 6,409.58 (mio) for years 2018/19. The fire insurance has increased in 10,394.26 (mio) to 46,845.10 (mio) from year 2009/10 to 2018/19. The motor insurance has increased in 1,016.31 (mio) to 36,111.36 (mio) from year 2009/10 to 2018/19. The reinsurance also has increased in up to 29,261.37 (mio) years 2018/19. In this period, the total income has increased in 14,093.34 (mio) to 86,238.07 (mio)

4.2.7 Expenditure of each insurance products from (2009/2010 – 2018/2019)

Myanmar Insurance Enterprise annual reports, it can be seen that the claim repayment is increasing yearly. Especially Fire & Allied Perils Insurance and Third-Party Liabilities claim repayment is more increased than others. Because of economic system changes and open market is enthused of business sectors. There is the base upon the economic forms.

Expenditure has included five main types of insurance products; Life insurance, Motor insurance, Fire, miscellaneous and engineering insurance, Marine, aviation & travel insurance, and Reinsurance. Premium income has been accepted by Myanma Insurance. They are as described as table 4.7 and figure 4.7 as follows.

**Table (4.7) Expenditure of each insurance product from
(2009/2010 – 2018/2019)**

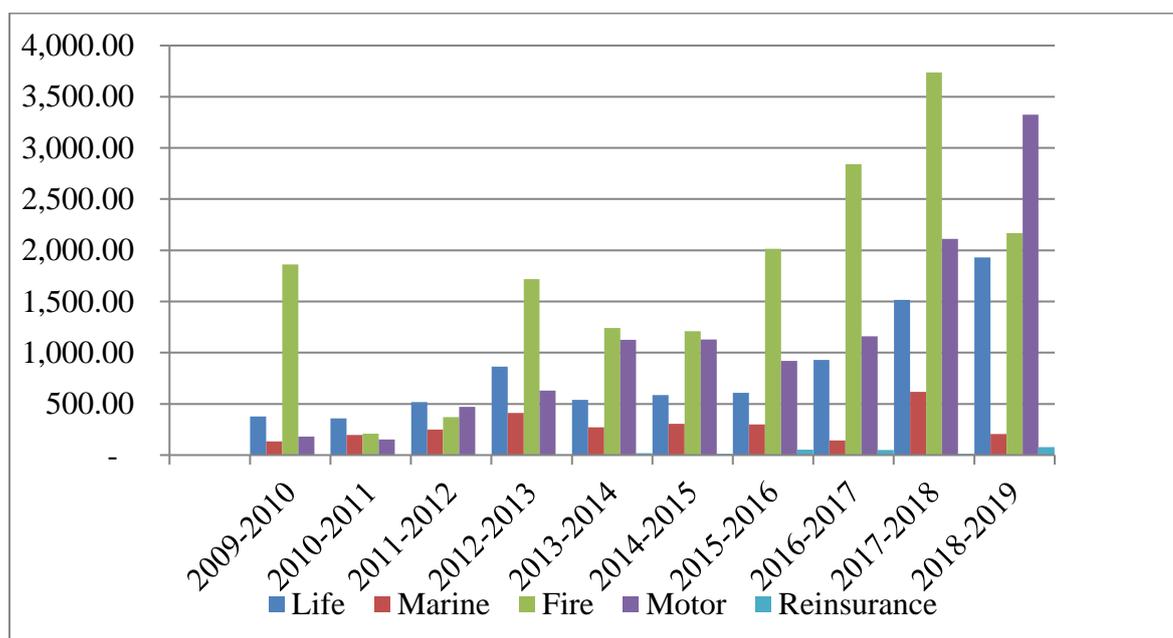
(Kyats Million)

Sr. No.	Years	Life	Marine	Fire	Motor	Reinsurance	Total
1	2009-2010	377.31	132.61	1,862.18	180.14	0.04	2,552.28
2	2010-2011	358.90	197.91	208.04	151.22	0.05	916.12
3	2011-2012	518.10	250.00	370.77	472.00	0.03	1,610.90
4	2012-2013	863.00	410.88	1,719.20	629.27	6.77	3,629.12
5	2013-2014	540.81	271.63	1,241.81	1,125.60	19.52	3,199.36
6	2014-2015	586.17	305.99	1,208.62	1,130.60	12.53	3,243.91
7	2015-2016	606.82	300.45	2,013.86	920.92	52.39	3,894.43

8	2016-2017	928.01	144.65	2,841.55	1,159.27	48.52	5,121.99
9	2017-2018	1,514.30	618.65	3,736.25	2,111.94	12.95	7,994.09
10	2018-2019	1,929.32	204.82	2,168.01	3,324.06	78.84	7,705.05

Source: Survey data (2019)

Figure (4.7) Expenditure of each insurance product from (2009/2010 – 2018/2019)



Source: Survey data (2019)

According to table (4.7) and figure (4.7), life expenditure increases from the year 2017, It is because the new products are created and the compensation amounts are increased. Expenditure for marine insurance products increases a little in 2017 because of the loss of marine cargo. Expenditure for fire insurance increases in 2017 because of the loss of Kandawgyi palace hotel caused by fire. Expenditure for motor insurance increases more in 2019 because of the negligence of the drivers and the government policy changes in vehicle import business. Reinsurance business uses expenditure more in 2018 because of the expansion in risk retention.

4.2.7 Analysis of income contribution to the State from (2009/2010 – 2018/2019)

Myanmar insurance usually contributes premium income getting from five main insurance products such as Motor insurance, Fire, miscellaneous and engineering

insurance, Marine, aviation & travel insurance, and reinsurance to the state at the end of every fiscal year.

Table (4.8) Income contribution to the State from (2009/2010 – 2018/2019)

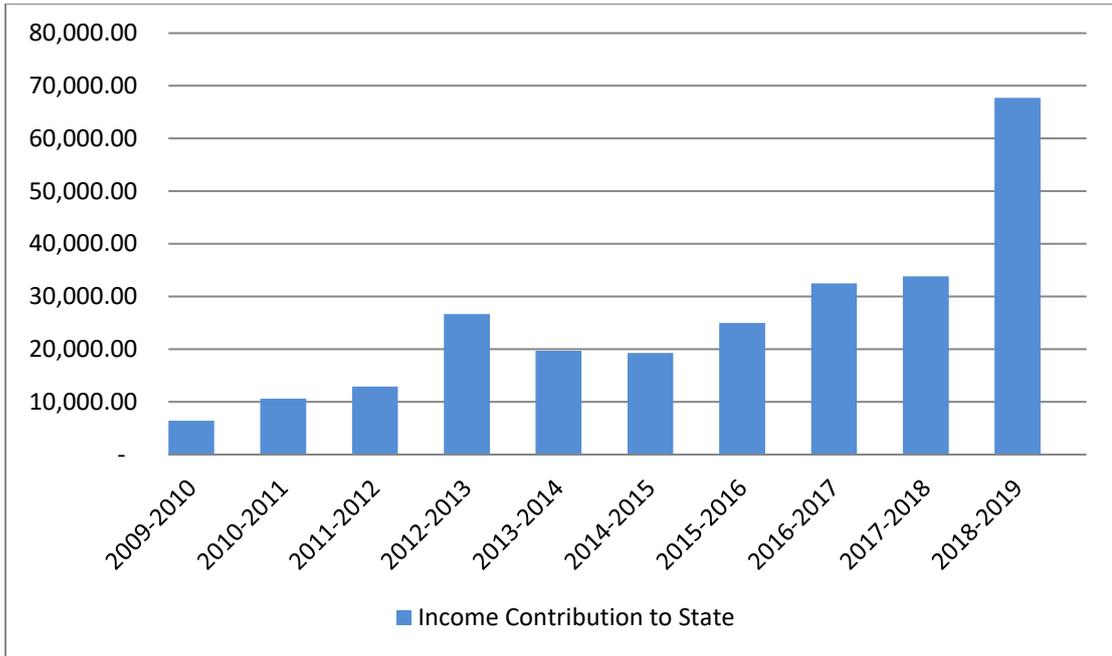
(Kyats Million)

Sr. No.	Year	Products	Income	Expense	Net Premium	MI Fund	Income Contribution to State
1	2009-10	Life	895.70	377.31	518.39	518.39	6,430.56
		Non-life	12,892.57	2,174.97	10,717.60	4,287.04	
2	2010-11	Life	1,383.63	358.90	1,024.73	1,024.73	10,637.05
		Non-life	18,285.63	557.22	17,728.41	7,091.36	
3	2011-12	Life	1,545.39	518.10	1,027.29	1,027.29	12,897.62
		Non-life	22,588.83	1,092.80	21,496.03	8,598.41	
4	2012-13	Life	1,731.78	863.00	868.78	868.78	26,688.23

		Non-life	47,246.50	2,766.12	44,480.38	17,792.15	
5	2013-14	Life	1,824.60	540.81	1,283.79	1,283.79	19,687.27
		Non-life	35,470.68	2,658.56	32,812.12	13,124.85	
6	2014-15	Life	2,142.55	586.17	1,556.38	1,556.38	19,302.68
		Non-life	34,828.88	2,657.74	32,171.14	12,868.46	
7	2015-16	Life	2,730.91	606.82	2,124.09	2,124.09	24,999.12
		Non-life	44,952.82	3,287.62	41,665.20	16,666.08	
8	2016-17	Life	3,018.35	928.01	2,090.34	2,090.34	32,477.99
		Non-life	58,323.97	4,193.98	54,129.99	21,652.00	
9	2017-18	Life	3,134.24	1,514.30	1,619.94	1,619.94	33,826.31
		Non-life	62,856.97	6,479.79	56,377.18	22,550.87	
10	2018-19	Life	8,614.35	1,929.32	6,685.03	6,685.03	67,711.01
		Non-life	118,627.41	5,775.73	112,851.68	45,140.67	

Source: Survey data (2019)

Figure (4.8) Expenditure of insurance products from (2010/2011 – 2018/2019)



Source: Survey data (2019)

According to table (4.8) and figure (4.8) the income contribution in year 2009-2010 is about 6.4 million in kyats. The income contribution in the year 2018-2019 is highest because it is included mini budget. The income contribution is not included premium getting from life insurance products because its products are long-term products so that Myanma Insurance must retain the premium for the future payment.

CONCLUSION

This study focused on income contribution of insurance product in Myanmar Insurance by analyzing the premium income and expense year by year. Besides, the findings, recommendations derived from the study and need for further study.

5.1 Findings

One of the reasons for the substantial increase in premium income is that we introduce some new insurance products such as Overseas Seaman Life Insurance and Snake Bite Life Insurance. The modification and extension of the travelling insurance throughout the country also contributes to the increase in our premium income. Due to the loan scheme for housing and industrial development, the boom in fire insurance business is also one of the factors that affect the increase in premium income of the organization.

It has Marine Excess of Loss Reinsurance Treaty, Fire Excess of Loss Reinsurance Treaty and Motor Facultative Obligatory Treaty and Energy Treaty. These Reinsurance Treaties are placed with top-notch reinsurers. Furthermore, Myanmar Insurance is backed by the Government, which assumes all the liabilities of it under the Myanmar Insurance Law. So, Myanmar Insurance is the insurer who will never be liquidated. Myanmar Insurance is also reputed as the insurer who will never run away from a legitimate claim and it has paid total of kyats 7668.15 million in claims in the financial year (2017-2018).

Myanmar Insurance, like all other insurers, is using agency system extensively and from time to time new agents are recruited and trained. Since Myanmar Insurance is a state-owned insurer; the laws require that all the foreign investors must buy insurances only from it.

It can be seen that Myanmar Insurance Service are now blooming and developing. And all of the authorize persons are trying to promote Insurance service that can be seen newspapers and magazine very often. Because Businesses and individual financial save and stabilities are basic on rely with insurance services. Nowadays, the insurance has become a major component in certain economies.

5.2 Recommendations

The foreign insurance companies are now allowed to operate insurance business in 2020 due to the strong political-will to liberalize insurance sector to liberalize local insurance market. The Ministry of Planning and Finance officially permits the local companies to operate the business of insurance, underwriting agency or insurance broking with foreign investment to open for business in the country in January 2019. Currently, there are 5 foreign life insurance companies and 3 non-life insurance companies are ready to operate in Myanmar.

The comprehensive insurance liberalization has been announced in 2019. The selection committee has selected the foreign insurers based on the selection criteria who submitted proposals to operate insurance business in Myanmar. After announcing the selected persons, foreign insurers, brokers and loss adjusters will be guaranteed license to transact their business in domestic market.

With the aim of expanding insurance business locally and abroad, and cooperating between insurance companies, Myanmar Insurance Association (MIA) was established on January 15, 2018. MIA will contribute to the long-term and sustainable development of Myanmar Insurance industry which will give a single insurance bloc comprising local and foreign insurers, intermediaries and all the stakeholders. MIA operates as a main channel of communication between government organizations and private insurance sector and carries out communication between Myanmar Insurance companies and international insurance industry.

When GDP is increasing year by year steadily, insurance sector in Myanmar is also increasing. However, there are lacks of some important aspects to develop insurance market steadily. The drivers for development are being obstacles such as lack of public awareness, lack of competition, shortage of skilled professionals, lack of collaboration, shortage of resources and international best practices.

Business is sort of types and all of them have risks. So, all business sector should have accepted the policy from the insurer whatever the business in crises, there were not dilapidation and so that the business is stability. Even not the business, the country economy also effect and pain. So, it is shown the insurance are providing to stabilities and safe for future business and society. The insurance market needs to come up with a much more efficient system to mass produce qualified agents and distribution channels to boost insurance penetration in Myanmar.

5.3 Need for further study

Here, some satisfactory answers could be given to the objectives of the study for Myanma Insurance. If some more data like each insurance product of Myanma Insurance and local private Co., of income, could get, the study should be studied more. This study is needed to carry out in other insurance in Myanmar and should find out what is the result like for other insurance for the relationship of new products and insurance benefits. More knowledge about insurance products should be distributed to the public.

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