

**YANGON UNIVERSITY OF ECONOMICS**  
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**CUSTOMER ATTITUDES TOWARDS LIFE INSURANCE PRODUCTS**  
**OF CITIZEN BUSINESS INSURANCE PUBLIC COMPANY LIMITED**

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**(MBF - 5th BATCH)**

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**CUSTOMER ATTITUDES TOWARDS LIFE INSURANCE PRODUCTS  
OF CITIZEN BUSINESS INSURANCE PUBLIC COMPANY LIMITED**

A thesis submitted as a partial fulfillment of the requirements for the degree of  
Executive Master of Banking and Finance (EMBF)

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## **ABSTRACT**

This study is aimed at analyzing the consumer attitude on Yangon's life insurance policy and exploring the motivating factors on Yangon's customer life insurance policy buying plan. The analytical systematic approach for analysis and financial capacity encompasses consumers' knowledge, attitudes, skills and behaviors in managing their resources and understanding, selecting and using financial services that meet their needs. Consumer behavior as the main theme is that consumers respond to price fluctuations (increase). The nature of attitudes vary in strength attitudes are not all the same, some consumer attitudes are stronger, some are volatile, have to do with loyalty Attitudes reflect the values of a consumer attitude towards our product, show its values towards the company, make a good campaign for the product, as does its environment of influence, etc. Attitudes are learned because customers are choosing to buy that product without changing the brand (in some cases, not because they trust more, it is because the goods are developed with it and never had any situation that influences attitudes to change Different situations. A bad experience with the product or service will change attitudes of consumers. The study found that the price variables are mostly dictated by the consumer's attitude because customers know premium plays an important role in life insurance and they are also concerned about losing the policy as it happens when they stop paying premium. Nevertheless, the study found that consumers do not want to renew their current life insurance policy by them after it expires, and customers also do not want to purchase new life insurance product.

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## **CHAPTER I**

### **INTRODUCTION**

Life insurance is an agreement that, if certain specified events occur or the policy matures, the insurer promises to pay the insured or their designated beneficiary a sum of money. Insurance is a valuable product for a better life as it protects public property or properties for any loss or damage by financial guarantees. Insurance companies are a financial broker and a company that is a big part of the financial services industry. Insurance is a means of protecting against financial loss or pooling fortuitous losses by assigning risks to insurers that promise to pay the insured for such losses, to provide other financial benefits in the event of such losses, or to make risk-related services.

In fact, premiums paid by consumers who have greater confidence in the sector due to their benefits will in one way or another support the national economy. The policyholder is better than others by purchasing a life insurance policy or any policy for other types of insurance, because their policy provides financial support or coverage for any loss they may incur.

Attitudes can be characterized as a lasting organization of the mechanism of motivation, emotion, perception, and cognition with regard to some aspect of our environment. Attitude is a learned behavior in a consistently favorable or unfavorable manner in relation to a given item in the sense of consumer behavior. If attitudes have a motivational quality as acquired predispositions; they can drive a consumer towards a particular behavior or separate the consumer from a particular behavior.

The insurance market in Myanmar has been closed and monopolized for most of the last half century, but it is now opening up to domestic and international competition. Between 1963 and 2013, there were two forms of insurance operating in the country on the Myanmar Insurance market: life insurance and non-life insurance. Life Insurance is an arrangement whereby, upon the death of the insured, an insurer and a policyholder agree the payment of a death benefit to designated beneficiaries. The insurance company promises to pay a death benefit taking into account the insured's premium charge. To individuals with financial dependents, life insurance is essential. Non-life insurance offers coverage for damages arising from a single financial case. Although life insurance covers break into complete permanent disability and non-life insurance covers many other forms of insurance

policies. Non-life insurance can cover properties, legal liabilities, comprehensive motor insurance, and marine insurance, and fire insurance and so on.

In 2013, the six-decade monopoly on the insurance market by state-owned Myanmar Insurance ended when the government extended the playground to 12 local private firms. On September 5, 2012, the license was issued to the 12 domestic private insurers. Of the 12 companies, only 3 have applied for life insurance licenses, requiring a minimum amount of 6 billion MMK paid-up money. For both life and non-life insurance licenses with a paid-up balance of MMK 40 billion of non-life insurance and MMK 46 billion for life and non-life insurance, the remaining 9 companies applied. CB Insurance is one of the public life insurance companies that the IBRB will issue a license in compliance with the Myanmar Companies Act and the Insurance Law on June 2013. CB Insurance is a market leader in life insurance on the insurance market, and although the penetration rate in Myanmar is small (0.70%) for all insurance, with life insurance being 10% of this amount, CB Insurance is a strong market competitor.

## **1.1 Rationale of the Study**

Myanmar is the largest country on the continent of Southeast Asia. The insurance business in Myanmar has great potential as the population growth rate is 0.90%, generating a current population of 54 million, but only 0.7% of the population currently holds an insurance policy which leaves the remaining 99% of this sector untapped. This opportunity has been recognized by leading international companies and they see Myanmar as the new emerging frontier insurance market where investment opportunities are high and the penetration rate is low. Twelve domestic insurance companies are currently doing business in order to promote economic and social change within the market economy. Research in 2017 projected that the premium income of the entire industry will hit USD 2 billion in 2030, up from just USD 50 million in 2015. This rise will be driven mainly by economic development, which increases demand for non-life insurance, and ongoing public pension reforms, which allow an aging population to devote more money and fun to life insurers. Considering that these trends are likely to continue in the future, the increasing position of the insurance sector is to be expected to continue in the years ahead.

But most people in Myanmar still don't see insurance as an attractive option. The insurance profit advocacy and education among Myanmar's citizens is very small. Another

issue is the (namate) cultural barrier. Discussing people's death and injury is a cultural taboo. In fact, people in Myanmar need to be re-educated on insurance and how they can profit and protect their livelihoods. Such kinds of questions require attention because consumers are not aware of the benefits of insurance services. The explanation for this issue may be that insurance companies and government have poor information.

It is also well understood that those consumers who do not have experience of these types of insurance schemes will be in trouble during the review of different competitive insurance companies. In the establishment of partnerships between different insurance service providers and consumers, multiple demographic factors play a vital role. Customers come from different backgrounds in society. Based on their social and cultural life, they may have different needs and demands. With regard to cultural and other factors, different insurance service providers in the insurance market need alternative strategies for different customers.

Organizations need to try to raise awareness by providing educational forum at various levels to influence customer attitude in buying life insurance policy. The sales team developed the general public's trust and loyalty and understanding of insurance. There may be a significant gap in customer perception of life insurance products from the side of the insurer based on newly published Myanmar Insurance Association data. The marketing team will continue to monitor and know the attitude of customers towards the products that insurers offer. From there, new product will be introduced or existing products will be changed to develop better coverage of life insurance for people in Myanmar.

The decision to purchase comes from how the business is expected to provide and share knowledge with the consumer. Therefore, as a company offers an efficient claim process, a customer assistant can build winning confidence among Myanmar citizens. Most people die from illness or accident prematurely every year, and if it happens to be the sole breadwinner in the family and the person passes away, it could have devastating consequences for one's loved ones their ability to pay household expenses, debts, and sustain living standards.

Most individuals are still unaware of insurance policies and are never used. The main aim of this analysis is therefore to classify insurance products and evaluate CB Insurance's consumer attitudes to life insurance products using a tri-component attitude model.

## **1.2 Objectives of Study**

The Objectives of Study as follows;

1. To identify the insurance products of Citizen Business Insurance Public Co.Ltd
2. To assess customer attitude towards life insurance product provided by Citizen Business Insurance Public Co.Ltd

## **1.3 Method and Scope of the Study**

This study focused on the consumer attitude of Citizen Business Insurance Public Co. Ltd life insurance plan. That's it. This research used the method of descriptive survey. In order to achieve the study objective, primary data were collected through meetings and interviews with CB Insurance customers and obtained from 160 people out of the total respondents who are CB Insurance Co. Ltd with questionnaires from the survey. Data collection date was from 4 December 2019 to 13 December 2019. Survey questions on these insurance products were focused on demographic information, insurance consumer experience and the affection (feeling), cognition (belief), and conation (behavior).

The other secondary data are based on previous research papers and reference books from the library of Yangon University of Economics (YUE), articles and studies from Myanmar Insurance and private insurance companies ' insurance journals, newspapers and other related documents. This analysis will also be supplemented by information from the related textbooks, previous research works, news and reputable websites on the internet.

## **1.4 Organization of the study**

This study was organized into five chapters. In Chapter 1, background of the study, rational of the study, objectives of the study, method and scope of the study and organization of the study will be included. Theories and literature reviews for concept, nature and historical background of the insurance that are relevant to this study was described in chapter 2. In chapter 3, overview Insurance Industry in Myanmar, CB Insurance company profile and types of insurance products was included. Analysis on the consumer's attitudes towards insurance products of CB Insurance was presented in chapter 4. The findings, discussions, conclusion and suggestions was included in the last chapter, chapter 5.

## **CHAPTER II**

### **THEORETICAL REVIEW**

This chapter reflects history of insurance, ASEAN insurance industry, market penetration of insurance in ASEAN countries, and advantages of fully engaged insurance industry and conduct and attitude analysis literature.

#### **2.1 History of Insurance**

The history of insurance has traced the growth of the modern risk insurance business, in particular with regard to freight, properties, death, car accidents and medical care. The insurance industry is helping to reduce risks, distributing risks from people to the larger community, and providing both the public and private sectors with an important source of long-term funding. (Alborn, Timothy (2009).) Insurance dates back to prehistoric times in some manner. At first, People selling goods or gathering places in their own villages. They go to nearby villages to sell, however, with the advancement of time. Insurance is the necessities arrangements of mutual assistance in the former situations. Chinese and Babylonian merchants in the 3rd and 2nd millennia BC, respectively, developed the first methods of transmitting or spreading risk in monetary economies. Chinese traders sailing across the rapids of the river will redistribute their goods across many vessels to minimize the loss due to the capsizing of any single vessel. Merchants and ship-owners in England in the mid-18th century quite largely insured themselves their own companies. As a result, some of Liverpool's most prominent merchants started to perform banking functions. Since the beginning, merchants have tried to be methods for mitigating risks.

In the 13th and early 14th centuries, European merchants moved around the globe to sell their goods and to hedge the Captain or crew known as *Risicum Gentium*'s risk of theft or fraud. Nevertheless, it was realized to the European traders that selling this way entails not only the risk of loss (i.e. injury, theft or life of traders) but also the wider market cannot be protected. The trend of recruiting contracted agents across different markets has therefore arisen.

The traders sent to the agents who sold them on behalf of the traders to export their products. Sending goods by road or sea to agents entails facing multiple risks such as storms at sea, pirate attacks; goods may be damaged due to poor handling during loading and

unloading, etc. Traders use various measures to protect the export-related risk. Instead of shipping all the goods on a single ship or lorry, they used to transport their goods over a large number of ships to prevent complete shipment loss if the vessel was trapped in a sea storm, burning, pirate, or pirate attack, but this was not a fine practice due to longer than normal time and effort. Insurance is the oldest way of using risk management that has been developed to reduce trade / business risk. To international trade, maritime insurance is very relevant and makes large trade possible. The risk prevents tools used by our forebears to reduce risk in the middle ages were sea or ship loans, commend contracts, and trade bills.

Earlier, in the Enlightenment era in Europe, life insurance became more sophisticated and specialized varieties developed. In the early decades of the 17th century, some types of life insurance originated throughout London. Life Insurance's history then consisted of the development of risk insurance, particularly in terms of freight, property, death, car accidents and medical treatment. The insurance industry is helping to reduce risks, shifting risks from the customer to the larger community, and providing both the private and public sectors with an important source of long-term funding. The insurance industry is highly competitive and provides employees with attractive job opportunities. Insurance in Europe is becoming more sophisticated and specialized varieties are being produced. Around the 17th century, other types of insurance originated in London such as: property insurance, business insurance, and accident insurance.

## **2.2 Insurance Industry in ASEAN**

Within the financial services sector, the insurance industry plays a unique role, providing financial security to individuals, businesses and other organizations. Insurance products support long-term consumer retirement and save needs, thus reducing government budget pressure. Insurance companies are driving economic development, mobilizing domestic savings into more competitive long-term productive capital, and playing a key role in capital market development. By 2015, the ASEAN Economic Community (AEC) will set up ASEAN as a framework for the single market and development, with free movement of business people, skilled labor and capital. Nevertheless, full insurance sector liberalization is not a priority for 2015. As the ASEAN region continues to enjoy strong economic growth, the level of income will increase and demand for financial services will increase, including insurance products. The ASEAN 2020 vision offers a basis for a consumer-friendly insurance industry.

ASEAN Member States control more than 25 major European reinsurance firms. We contribute significantly to the savings, pension and insurance needs of the population and have a further contribution to make to achieve the Blueprint 2025 goals in collaborating with ASEAN Member State. In addition to local businesses, European insurers provide retail and corporate clients throughout the ASEAN region with life insurance, general insurance and insurance products and services. Insurance brokers are offering life and non-life products and are expected to grow neighboring markets, benefiting from increased demand for insurance products and services as ASEAN continues with economic integration. When they expanded, European and Asian insurance companies also invested in fixed income, equity and alternative asset markets across ASEAN, thereby expanding the region-wide pool of investment capital. (Refer: DrSchanz, Alms & Company's Asean Insurance Pulse 2019, Asean Insurance Markets Integration, Regulation and Trade October 2015, Life Insurance Capital Regime in Asia Summary Report 2019, Milliman)

### **2.3 ASEAN Insurance Council**

The ASEAN Insurance Council (AIC) was set up on 4 April 1978 and has a strong vision of being a regional forum for insurance members, professionals and practitioners to network and share their knowledge and expertise in various fields of insurance business for the growth of the insurance industry in the ASEAN region, in particular in welcoming the ASEAN Economic Community 2015.

#### **2.3.1 ASEAN Insurance Council's Objectives**

The goals of the ASEAN Insurance Council are Promoting the growth of insurance and reinsurance in the region, with due regard to member countries ' priorities, laws and regulations. Promotions of mutual cooperation in all areas are insurance and re-insurance. Establish, facilitate and organize learning and training institutions in the region's specialized fields of insurance or reinsurance. Conduct meetings, conferences and seminars to produce a newspaper and set up a standing or ad hoc committee for the region's current insurance, reinsurance, or related matters. To create the region's insurance and reinsurance statistical and knowledge centers. To provide the insurance supervisory authorities of member countries with industry details that could be focused on the regulations to be introduced or revised. Cooperation within the region, the European Union and any other region of the world are similar goals with other individuals or organizations. To carry out any such actions or to do items that may be necessary to achieve the objectives set out above.

### **2.3.2 ASEAN Insurance Council's Members**

ASEAN Insurance Council is an AESAN body composed of 13 representatives of insurance companies from eight ASEAN member states including the Brunei Insurance Association and the Takaful Association (BITA), the Cambodian Insurance Association (LAC), the Indonesian Life Insurance Association (AAJI), the Indonesian General Insurance Association (AAUI), Persatuan Insurance Am Malaysia (PIAM), Li.

### **2.4 Insurance market penetration in ASEAN countries**

In most ASEAN Member States, the rate of penetration, calculated as the percentage of GDP spent on insurance premiums, remains low. All countries show a troubling difference in savings and security as populations grow older and wealthier. In 2014, ASEAN insurance penetration level stood at 3.32% above the emerging market average of 2.7% but below the global average of 6.17%. In Vietnam, Indonesia and the Philippines, the insurance cover deficit is particularly large, with natural disasters under insurance approaching one percent of GDP. Health insurance disparities in pensions for 13 emerging Asian countries stood at an estimated US\$ 58 trillion in 2014. ASEAN's insurance penetration rate has substantial room to grow towards the global average. The demand of the ASEAN market for insurance products can be seen in the 2009-2014 average annual premium growth ranging from 6.2 percent of Singapore to 18.5 percent of Vietnam. In Myanmar, penetration rates vary from 0.01% to 6.7% in Singapore.

#### **(a) Cambodia**

Cambodia offers an untapped market potential with 15 million inhabitants and sustained growth over the last decade, recording GDP growth of 7.3 percent between 2011 and 2013. Strong growth of 7.3 percent on average is expected for the 2016-2020 timeframe. The Cambodian government is keen to see further growth of the insurance sector. The penetration rate is currently 0.4% and the density per capita is US\$ 4.00. In Cambodia, European insurers include the Prevail Group (France) and the Prudential Group (UK).

#### **(b) Indonesia**

Indonesia is the largest population-sized market in ASEAN. The rate of insurance penetration is 1.7 percent, while the per capita insurance value is US\$ 61.00. Distribution channel data for insurance, life and non-life as a percentage of total premiums, claim insurer has 45 percent, banking insurance has 37 percent, and other networks have 18 percent.

Aegon, Allianz, Aviva, AXA, Generali and Prudential are the European insurers active in Indonesia.

**(c) Laos**

Laos is the emerging market in recent years that has undergone strong economic growth. The penetration rate stood at US\$ 5.00 per capita insurance level of 0.3 percent. Currently it is difficult to obtain reliable statistics and data for Laos, although an annual premium is projected to be between US\$ 50 million and 60 million, with a majority share of premiums going to reinsurance from mining and hydroelectric projects. Laos does not have an insurance company. European insurers working in Laos are the local office of Allianz and Prudential.

**(d) Malaysia**

Malaysia is a mature market in ASEAN with a relatively high penetration rate of 4.7 percent and a per capita insurance level of US\$ 518.00. The insurance distribution channel data (life and non-life as a percentage of total premiums) shows that the insurer had 80%, banking insurance had 16% and 4% through other networks. Allianz, AXA, Hanover Re, Munich Re and Prudential were among the European insurers operating in Malaysia.

**(e) Myanmar**

Today, government and domestic private insurance companies dominate the insurance business in Myanmar. Three Japanese insurance companies, Tokio Marine & Nichido Fire Insurance Co Ltd, Sompo Japanese Insurance Inc and Mitsui Sumitomo Insurance Co Ltd were allowed to operate within the Thilawa Special Economic Zone by the Myanmar Insurance Business Regulatory Board (IBRB). Through the establishment of representative offices (ROs), other neighboring insurance companies conduct indirect insurance business in Myanmar.

**(f) Philippines**

Since 2010 the Philippines has seen strong economic growth, with youthful demographics in the coming decade boosting growth. Actually, the penetration rate is 2% and the per capita insurance value is US\$ 58.00. The insurance distribution channel data indicates that the firm had 55%, banking insurance had 45% and 0% through other networks. Generali, AXA and Prudential were among the European insurers operating in the Philippines.

### **(g) Singapore**

Singapore has a well-developed economy with an 8.8% insurance penetration rate and a US\$ 4936.00 per capita insurance price. Insurance distribution channel data indicates that the firm had 40%, 37% banking insurance, and 23% through other networks. Aegon, Allianz Global, Allianz SE, Aspen Insurance UK Ltd, Aon, Assurance Foreninggen Skuld, Aviva Ltd, AXA Corporate Solutions, AXA Insurance, AXA Specialty, Cigna Europe Insurance, Euler Hermes Germany, Euler Hermes UK, Friends Provident, Gan Eurocortage, Generali International, Generali Re, Groupama SA, Groupama Transport, HDI-GERLING INDUSTRIEVERSICHERUNG'AG, HSBC Insurance PTE, JLT, Muenchener Rueckversicherungs Gesellschaft, Paris Re, Prudential Assurance Co. of Singapore, R&V Verischerung AG, Royal and Sun Alliance (Singapore), Royal and Sun Alliance plc, Royal Skandia, Scor Global Life Ruckversicherungs, Scor Global Life SE, Scor Re, Scor Switzerland, Scottish Annuity & Life, Sirius International, Standard Life International, Sun Alliance and London, Swiss Life (Liechtenstein), Swiss Life (Singapore) Swiss Re Frankona, Swiss Re, Swiss Re International, Copenhagen Re, North of England P&I Association, The Shipowners' Mutual P&I Assn. (LUXEMBOURG),UK Mutual Steamship Assurance, XL Capital Assurance, XL Insurance, XL Re, Zurich Insurance, Zurich Life, Zurich International, and Lloyd's Asia Scheme.

### **(g) Thailand**

Thailand has a relatively high penetration rate of 5.4 percent and a per capita insurance level of US\$ 316.00. Information on the distribution channel for insurance (life and non-life as a percentage of total premiums) shows that the firm had 51 percent, that it had 43 percent and 6 percent through other networks. Allianz, AXA, Generali and Prudential are the Major insurers present in Thailand.

### **(h) Vietnam**

Over the past few years, Vietnam's economy has seen strong growth, supporting a massive, young population with a growing middle class. The policy has pushed slowly but steadily toward a market-based economy. The 1.4 percent penetration rate and US\$ 29.00 per capita insurance level suggest room for future growth of 20. Information on the distribution channel for insurance (life and non-life as a percentage of total premiums) reveals that the firm had 97 percent, banking insurance had 3 percent and 0 percent through other networks.

Vietnam-based European insurers include Generali, Groupama, Prudential, Prevoir, BNP Paribas and Aviva.

## **2.5 Benefits of Fully Involved Insurance Industry**

Life insurance provides several benefits: life insurance promises to pay a family a specified amount on the death of their income earners. The provision of a measure of insurance for families against the adverse financial consequences of premature death, gives people a greater sense of economic security, and can help to reduce anxiety and depression and thus increase initiative.<sup>2</sup> Life insurance cash value can be used as a means by which people can save. Nevertheless, many people who might not otherwise be covered must pay their life insurance premiums regularly.

Therefore, life insurance is a kind of quasi-compulsory protection. Life insurance products, especially annuities, provide a convenient, if not special, means for individuals to make retirement financial arrangements. Life insurance can encourage lenders both individuals and businesses to have more favorable credit terms and can reduce the risk of default. Life insurance can also mitigate the financial damage that the loss of key employees brings to companies. (A Report on Micro Insurance Feasibility and Partnership Way Forward Mr. Satheesh Arjilli March 2016).

If government benefits were not substitute, easing the burden of the government social welfare expenditure Private life insurance that supplement. This claim was backed by a significant negative link between social spending and premiums for life insurance. In addition, the sharp rise in ASEAN life premiums can be largely attributed to the increasing financial difficulties of pension schemes. Governments can now focus their efforts on core social protection benefits, while allowing individuals to choose their preferred level and type of additional protection for themselves.

### **2.5.1 Impact on economic development**

Apart from the social role that government plays in relieving life insurance from the strain of meeting financial security needs, economic development in general and financial markets in particular will aid. Because they have thousands of policyholders, insurance companies can accumulate funds that are important to support investment and the national economy. They thus act as financial intermediaries between investors and economic agents who lack adequate funding: families, companies, and even governments in some cases. The

emergence of this new type of intermediaries with features different from those of the banks, particularly with regard to the investment timeframe, makes a major contribution to the growth of the ASEAN countries ' financial markets. (Ramamoorthy C, Selladurai V, Ranganathan R. International Journal of Logistics Economics and Globalisation. 2012)

## **2.5.2 Insurance companies are the largest institutional investors**

### Quantitative impact on savings

A growing number of studies have analyzed how life insurance innovations and sponsored pension schemes have impacted the amount of net savings. These usually have a positive effect when such schemes are implemented. In clarify this, a variety of points have been put forward. First, when formed on a compulsory basis, contractual savings plans (life insurance and pension funds) increase the level of collective savings if they require a rate of compulsory savings that is higher than the rate that households would voluntarily have adopted. Therefore, if a scheme that is still recent lacks credibility, households is not generally inclined to change their previous investment behaviour, as the new products do not give them the level of financial protection they want. As a result, the savings rate is improved. However, this latter effect is only temporary, and when the program becomes more stable and therefore more reliable, it goes away. It should be remembered, however, that the long-term effect of a temporary increase in the savings rate could be very positive if the funds are wisely invested and encouraged a virtuous growth and investment loop. Ultimately, by providing individuals and businesses a way to diversify their assets, the creation of contractual savings often promotes savings. Nevertheless, it should not be overlooked that the resulting rise in aggregate savings can only be marginal if customers simply shift their funds between various types of investments but keep their overall savings rates unchanged.

### Qualitative impact on savings

While there may be some uncertainty as to the quantitative effect of life insurance growth on savings, the qualitative impact is very evident, unlike many deposit-taking commercial banks and short-term lending to contractual savings institutions is usually taken on a longer-term perspective. Our long-term investments and the consistency of our cash flow system are to provide government and business with the perfect sources of long-term financing.

## Impact on the development of financial markets

Developing contractual savings dramatically increases the supply of long-term financial products, causing a series of effects on financial market growth and structure. The degree to which the banking system moves to reap the benefits of its comparative advantage over short-term products is too specialized in the field. This has contributed to a sharp reduction in risk due to the difference in maturity between bank assets and liabilities. Therefore, the integrity of the banking system is improved. Reductions of the different interest rates are short-term and long-term. It leads to an increase in the financial structure of business enterprises due to a reduction in long-term capital costs and a reduction in refinancing risks. Developing the long-term government bond market that is greatly increases the possibilities for controlling government debt. This claim had been used against the creation of contractual investments, believing that the funds collected by life insurance companies and pension funds could become captive sources of funding for the government deficit without a sufficiently established bond market. Implementation of flexible investment legislation to allow insurance companies and pension funds to diversify their investments in equity markets and international markets should be sufficient to avoid this pitfall. (Yu SH. An Empirical Investigation on the Economic Consequences of Customer Satisfaction, 2007).

Insurance provides the long-term domestic capital market, mobilizes domestic investments and generates market liquidity: unlike commercial banks dealing in deposit-taking and relatively short-term lending, life insurance companies take a longer-term view. Their long-term commitments to policyholders and the stability of their cash flows provide ideal sources of financing for governments and businesses, typically into government and corporate bonds, but also potentially into other assets classed such as real estate, equities and various kind of alternative investments. The generation and deployment of premium turns latent capital into active long-term capital from vast numbers of policyholders to support economic development. (Leung MK, Young T. China's Entry to the WTO: Prospects and Managerial Implications for Foreign Life Insurance Companies 2002.)

Because insurance companies are not vulnerable to liquidity shortages, they are more resilient to short-term market stress, allowing them to play their counter-cyclical position when needed most. The combination of relatively long-term investment and longevity thus makes it possible for insurance companies to contribute to financial stability.

Insurance Encourages participation in the country's wider economic growth was such as long-term infrastructure projects. The essence of the liabilities of the insurance sector, the predictability of its earnings and its large reserves allow it to have a long-term outlook in both guaranteeing and investing. Both features are opportunities for insurers to channel the resource allocation of the banking sector into long-term investments in complementary fashion. Since they constantly invest their clients' assets, insurance companies are suppliers of capital to the economy. The unique position of the insurance industry as a venture capital company with a long-term investment horizon creates opportunities for fruitful cooperation on long-term capital projects with governments and other public sector organizations. ASEAN-wide governments acknowledge the need for properly designed infrastructure projects as necessary to maintain economic growth.

Insurance Strengthens stability in the face of disasters: the European insurance industry is able to cover major threats marked by very high costs and a very low likelihood of occurrence such as natural disasters using its knowledge and expertise built up over many years. Global reinsurance: it is necessary to improve the resilience of catastrophe risk, big, unpredictable and expensive disasters.

Global insurers are able to provide insurers with these services as they pool their liabilities and resources internationally and thus gain the benefits of diversification. Insurance and other strategies for prepaid risk-financing are widely recognized as a critical part of any comprehensive strategy for disaster risk management. (Leung MK, Young T. China's Entry to the WTO: Prospects and Managerial Implications for Foreign Life Insurance Companies 2002.)

## **2.6 The Definition of Attitude**

The personality and mood models need to be understood in order to evaluate the attitude of the people who used insurance. An attitude is an overall assessment of people (including oneself), things, advertising, or problems. We cannot go in the direction of which no one has an object of attitude. Attitudes are common as they refer to more than a momentary occurrence, such as listening to a loud noise, although you may develop a negative attitude towards all loud noises over time. Consumers have attitudes towards a wide range of items of attitude, ranging from very product-specific behaviors (e.g. drinking Pepsi rather than Coca Cola) to more general habits related to consumption (e.g. how often you have fizzy drinks). Attitudes help determine who you're going to choose, what music you're

listening to, or whether you're going to recycle aluminum cans. Our actions and motives are influenced by the attitudes and opinions we hold. Marketers need to consider the perceptions of consumers in a variety of circumstances and create ways to influence those attitudes in order for customers to adopt more positive attitudes towards the products or services offered. (Katz, D. the Study of Attitudes,” 1960)

An attitude is a learned predisposition with regard to a given object to behave favorably or unfavorably. And the attitude is a dynamic favorable mental state involving in some respects what they think, their emotions, their beliefs, and their willingness to act. This is a permanent arrangement of motivational, mental, perceptive and cognitive processes in relation to certain aspects of the environment of the person. The attitude of an individual is a significant product of learning processes. An attitude refers to a predisposition to respond to a stimulus in a consistent or predictable way. The stimulus may be something like a physical or a social entity, an action and a concept. (Fazio, R., Powell, M., and Williams, C. “The Attitude-to-Behavior Process in the Role of Attitude Accessibility 1989)

## **2.7 Importance of Attitude**

Importance of Attitude Customer attitude is the feeling, perception and knowledge of a customer about a business or its product from a side marketing perspective. Typically, consumer attitude is influenced by advertisement, public relations analysis, social media, personal experience and other networks (Armstrong & Kotler, 2003) Lwon G. Sheffman and Leslie Lazar Kanuk said that "attitude" is a mechanism through which an individual selects, organizes and interprets stimuli into a meaningful and coherent world image. Under the same obvious circumstances, two individuals may be exposed to the same stimulus, but how each person identifies, chooses, organizes and interprets these stimuli is a highly individual process based on the needs, beliefs and aspirations of each individual. The manner in which the information is structured and interpreted follows a cycle that can be divided into three parts:

(a) Selection; Customers choose some of the information to which they are exposed and tend to ignore others. Marketers need to tailor the message to the target audience they plan to deliver. Messages created to connect with everyone usually end up talking to no one.

(b) Organization: Customers use stimuli to assign experience into different categories and group together. Different forms such as grouping options and options can go together that are closely related. That's why people associate their messages with those props and celebrities

that have similar features and personalities that go with the message / product / services they like.

(c) Interpretation: Customers use previous experience and connection to understand new stimuli and to give meaning to them. Source: Schiffman, L.G. & Kanuk, L. L. (2010). Consumer Behavior (9th ed). New York: McGraw-Hill Irwin

## 2.8 The Functions of Attitude

Attitudes represent the person four main functions: the constructive purpose, the protective role of the ego, the function of intelligence, and the function of expressive meaning. Lastly, these roles were to support the need for people to protect and improve their own profile. More broadly, these roles are the motivating bases that form and reinforce positive attitudes towards objects that are perceived as requiring pleasing or negative attitudes towards other objects that are perceived as punishing or dangerous. The roles will help us understand why people are holding their attitudes towards psychological objects.

(i) **Utilitarian function:** Consumers have a certain attitude towards an object mainly because of its utility. If a brand or product has been useful in the past or has performed well, the attitude of the consumer towards it may continue to be favorable. The correspondence is targeted at product qualities that reliability, protection and fulfillment require customer values.

(ii) **Ego Defense Function:** this function is defense. Consumers develop behaviors in order to achieve personal goals and preserve their picture of themselves.

(iii) **Role of knowledge:** Consumers typically have a strong urge to know things that they use or consider. By product and subsequent placement actions, this phenomenon is completely exploited. Having gained some information about a particular product, it makes it possible for customers to ease their purchasing decisions because they do not need to compare choices.

(iv) **Expressive Function Value:** this function is verbal. Attitudes are developed to demonstrate the beliefs, lifestyle and attitude of the customer. Many ads at times strive for self-improvement, success or freedom.

## 2.9 Tri-Component Attitude Model

Customers receive and use information and arrive at the final decision on what actions to take, where to buy a product or not, through a sequence of seven stages; ignorance,

understanding, experience, connecting, desire, conviction and purchasing. (Leon G. Schiffman in 2006 into three theoretical categories named as the tri-component attitude model.)

**(a) Cognition Component (Belief/Thinking)**

The first element of the model of the tri-component attitude consists of the cognitions of an individual, which is defined as the awareness and perceptions gained through a combination of direct experience with the object of attitude and linked to information from different sources. These awareness and resulting expectations usually take the form of beliefs: that is, the user assumes that the object of attitude has different attributes and that particular actions can lead to specific results. Each stage involves the stages of unconsciousness, consciousness, and awareness in the hierarchy of Lavidge and Steiner. (Schiffman, Leon G and Leslie, Lazar Kanuk, 2006)

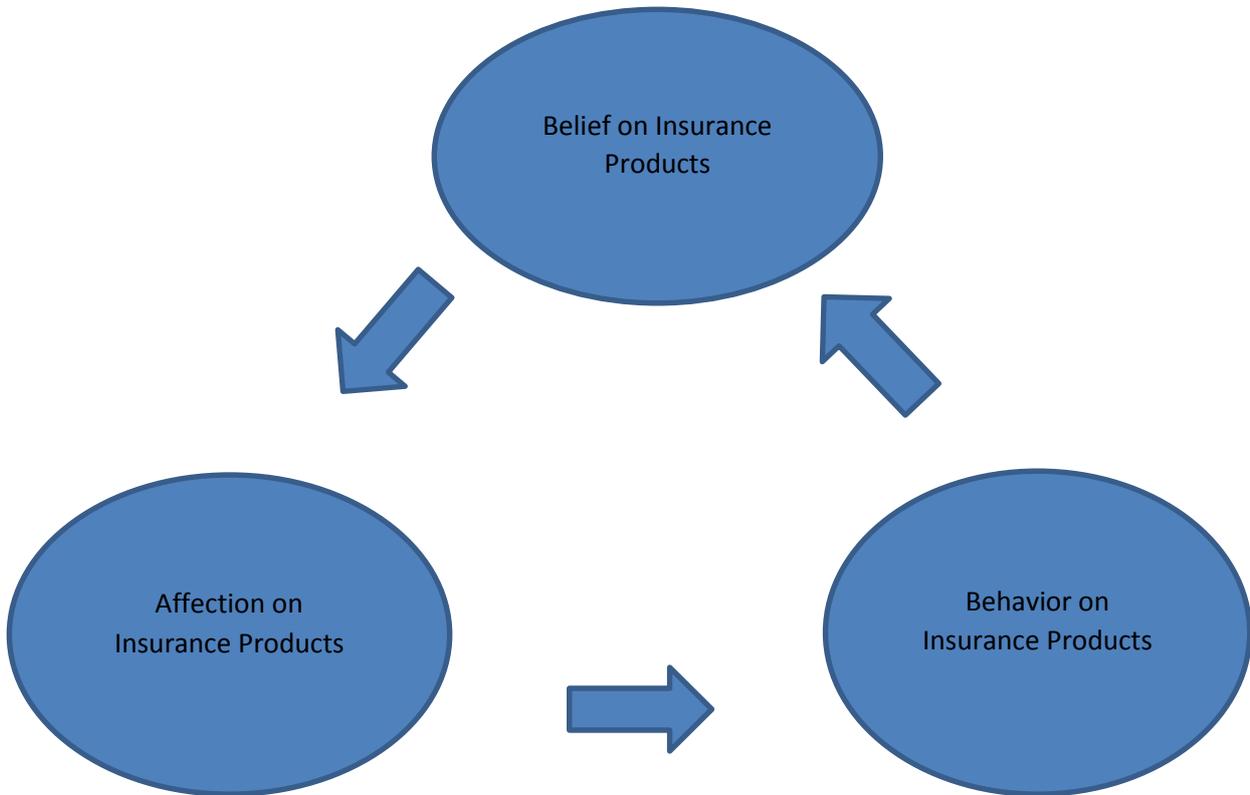
**(b) Affection Component (Feeling)**

The emotions or thoughts of a customer are more about the product or brand in question, which is the affective part of an attitude. Market researchers also view such emotions and feelings as essentially evaluative in nature; that is, they capture the object's direct or global appraisal of an individual's attitude. This stage is in line with the steps of linking and choice in the hierarchy of Lavidge and Steiner. (Schiffman, Leon G and Leslie, Lazar Kanuk, 2006)

**(c) Conation Component (Behavior)**

Conation, the final aspect of the attitude model of the tri-component, is concerned with the probability or inclination that a person will take a specific action or behave in particular with respect to the object of attitude. The conative aspect may include the actual behavior itself, according to the other definitions. This represents the steps of conviction and acquisition in the hierarchy of Lavidge and Steiner. (Schiffman, Leon G and Leslie, Lazar Kanuk, 2006)

**Figure 2.1 Conceptual Framework**



(Schiffman, Leon G and Leslie, Lazar Kanuk, 2006)

## **2.10 Previous Review**

### **Attitude**

Kotler said that a person's attitude determines his/her favorable or unfavorable judgments, emotional and various acts of predisposition to behave in a manner that is consistently favorable and unfavorable to a defined goal.

### **Life insurance**

Insurance can be seen as a risk management method [6]. There are three main types of life insurance policies; namely (a) whole life insurance which owes a lifetime until death; (b) term life insurance which offers a guaranteed number of years until death, (c) endowment life insurance which is a life insurance with a saving feature. All in all term, life insurance is a way for customers to handle the risk and save the medium. It also plays vital roles in terms of psychology and culture. As Hofstede G (1995) pointed out,' the main function of life insurance is to protect against the loss of many people's lives. It also includes the costs of

injury, critical illness, and superannuation, in addition to reducing the risk of death. According to these points, life insurance is based on the idea of the human value of life [9].

Therefore, life insurance becomes the tool for one to ensure that the beneficiaries earn a continuous income stream. In such a way, life insurance can be seen as a form of saving, as much as a financial investment, or as a type of risk management. Life insurance provides a certain promise of some kind of financial security for the costs in the signing of the death of the buyer of the insurance policy. That sum shall be given to the various necessities of the policyholders if the insurance premium is paid on time.

### **People attitude towards the life insurance**

The literature on the behavior and understanding of life insurance policyholders has largely focused on factors that predict such state of mind. Considerations such as perceived consumer value satisfaction and purchase decision-making responsibility were deemed the most significant in the literature on the attitude and perception of life insurance policyholders.

Ewing BT, Kruse JB, Ozdemir O, Narayana N (2004) et al. are studying the relationship between the risk perception of individuals and their ability to pay for improved safety and security in a high-importance, low probability case.

Omar OE, Owusu FN (2007) found that the consumer's perception of buying life insurance was a guarantee of the same standard of living for dependents in the event of death, the ability to maintain the same standard of living in the event of injury, the ability to have lump sum money in the event of critical illness, and the ability to cover loss or damage to property in the event of an accident.

## **CHAPTER III**

### **PROFILE OF CITIZEN BUSINESS INSURANCE**

In this chapter, they consist of discussion on Insurance Industries' general situation in Myanmar which is followed by the profile of CB Insurance Company Limited.

#### **3.1 Overview of the Myanmar Insurance Industry**

The economy's growth depends on its financial system's soundness. Myanmar's financial sector consists of state-owned banks, private banks, investment companies, insurance firms, and foreign banks' representative offices. The insurance market is one of the financial system's major players. Insurance is always required due to all-time losses. Insurance is available to provide financial insurance against a wide variety of damages such as house fire, car accident auto body injury, and medium payout to car accident injured occupants and many more.

The insurance policy is a special type of coverage that relies on some incident for the pay out of. People hold the insurance policy to be able to replace them when their property is lost due to an unexpected cause. The best way to manage the risk is the reason for holding insurance policy.

As part of the reform of the financial sector, the government of Myanmar approved registration for 12 private insurance companies by depositing 60 percent of their capital in a state-owned bank in 2013 and can withdraw this money after a year. In addition, as a provision for emergency insurance, 10 percent must be deposited into an interest-bearing MEB account and the remaining 30 percent should be used to buy treasury bonds. The businesses will pay a license fee of MMK 3 million and an annual fee of MMK 1 million. All private insurance companies are regulated by the Insurance Business Supervisory Board (IBRB). Operations will start within one year of licensing. All private insurance companies are required to apply the same policy premium rates at the initial stage to prevent unfair rivalry resulting in price competition and unprofitability. The services they offer will have to fight for the customer's attention.

The services provided by Myanmar's insurance companies are nearly similar in nature and form, thereby exposing consumers to diverse choices. It ensures that there are limitless option options, and consumers will choose the alternative that gives them full satisfaction when referring to various factors that separate insurance benefits from each other. The

insurance industries are rivalry and fragmentation forces insurance companies to be more customer-focused, because today's consumers are very concerned about the value for money. There are currently twelve licensed insurance companies in Myanmar.

1. First National Insurance Public Co., Ltd
2. IKBZ Insurance Co., Ltd
3. Young Insurance Global Co., Ltd
4. Capital Life Insurance Co., Ltd
5. Grand Guardian Insurance Public Co., Ltd
6. Global World Insurance Co., Ltd
7. Excellent Fortune Insurance Co., Ltd
8. Aung Thitsar Oo Insurance Co., Ltd
9. Pillar of Truth Insurance Co., Ltd
10. Ayeyar Myanmar Insurance Co., Ltd
11. Aung Myint Mo Min Insurance Co., Ltd
12. Citizen Business Insurance Public Co., Ltd

### **3.2 Insurance Market in Myanmar**

In Myanmar, the insurance industry is now an uphill battle. After about 60 years of monopoly and nationalization, most Myanmar people lack insurance awareness. Individuals simply understand insurance. Organizations are therefore now trying to educate people about insurance and their benefit through advertisements on television, radio and conference making. Creating trust and educating people is the best way for Myanmar Insurance Market to draw customers.

The insurance market is now opening up; it has tremendous potential for growth at the moment. According to the Ministry of Finance (MOF), at the time of market opening, just 0.5% of Myanmar's population (300,000 of the total population of 60 million people) was insured. There is enormous growth potential in the insurance sector. Economists predict that the penetration rate of insurance in Myanmar will hit 1.4% by 2030. Thus, the biggest insurance companies in the world are setting their sights on Myanmar.

There are many opportunities; a large population, economic reforms, and natural resources could combine to create increasing wealth among the citizens of Myanmar. With international insurers, the market is likely to be lucrative. Many international insurers set up their representative offices in 2014 and are ideally positioned to join the insurance market in

Myanmar as soon as it is open to foreign investment. This is a major challenge for local insurance firms as they lack qualified insurance practitioners at all levels of underdeveloped IT systems, product limitations, lack of effective risk management frameworks, lack of public knowledge, lack of a comprehensive regulatory framework, lack of reservation requirements and guidelines, lack of affiliation with the insurance industry, lack of insurance Local insurance firms are therefore trying to be ready to join international insurance companies and penetrate Myanmar's insurance market with ease.

### **3.3 Insurance Business in Myanmar**

There are three main types of life insurance sector in Myanmar. They are;

- (1) State-owned Myanmar Insurance Corporation
- (2) Local Private Insurance Companies
- (3) Foreign Insurance Companies

#### **3.3.1 State-owned Myanmar Insurance Corporation**

Myanmar Insurance is the state-owned insurance company, was established in 1952 and began as a life insurer but subsequently pursued both life and no-life insurance coverage. It is insurance products, currently underwritten in Appendix I. Myanmar Insurance makes good use of the agency system and new employees are hired and trained from time to time. Myanmar Insurance is a state-owned insurer, and all foreign investors are required by law to buy insurance only from it. Its headquarters are located at 627/635, Merchant Road, Yangon, Myanmar, and it has 38 branches in cities and cities across the country. Myanmar Insurance has a large reserve fund (Life Fund Kyats 12183.025 MIO, General Fund Kyats 82858.965 MIO and General Reserve Fund Kyats 6355.785 MIO) and a significant cover for reinsurance. It has the Loss Reinsurance Marine Excess Treaty, the Loss Reinsurance Fire Excess Treaty, and the Motor Facultative Compulsory Treaty and the Energy Treaty. These Treaties of Reinsurance are imposed with top-notch reinsurers. In addition, the government supports Myanmar Insurance, which bears all of its obligations under Myanmar Insurance Law. Myanmar Insurance is therefore the insurer that is never going to be liquidated. Myanmar Insurance is also known as the insurer who will never run away from a legitimate claim and in the last financial year (2014-2015) has paid a total of 2981,612 million kyats in claims. Like all other insurers, Myanmar Insurance makes extensive use of the agency system

and new employees are hired and trained from time to time. Since Myanmar Insurance is a state-owned insurer, the law requires all foreign investors to buy insurance from it alone.

### **3.3.2 Local Private Insurance Companies**

The Insurance Business Regulatory Board has been slowly liberalizing the private sector insurance market; thus, on 5 September 2012, the Insurance Business Regulatory Board announced its selection of the following 12 private companies to be authorized. The license was first given to five private companies on 25 May 2013 and the license was issued to the other four private insurance companies on 14 June 2013 and 3 private insurance companies on 6 October 2014. Appendix 2 displays the approved private insurance companies, their affiliates and the goods they supply. All private general / composite insurers market the same products at the same rates, with the same IBSB approved benefits and policy wording. Fire and Allied Perils Insurance, Advanced Motor Insurance, Cash in Safe Insurance, Cash in Transit Insurance, Fidelity Insurance, Cargo Insurance and Express Ways Travel Insurance are non-life insurance policies that can be offered by them. Similar to general composite of the insurance, all private life insurers often market the same policies at the same rates, with the same IBSB approved benefits and policy wording. Public Life Assurance, Alliance Life Assurance, Sport Men Life Assurance, Snake Bite Life Assurance, and Health Insurance are the life insurance policies that are allowed to be sold by private insurers. Insurers only use insurance agents to sell their goods. It reduces the availability of insurance companies and raises the consumer's transaction costs. It is appropriate for private insurance companies to use MIC-trained agents. Travel insurance, however, can also be provided through highway express bus line offices, travel agencies, and MFIs / NGOs. This is the only exception to the legislative constraints on an agency that serves as a medium of distribution. Insurance agents in Myanmar do not receive premiums; they are normally paid at the insurance company's offices or branches of selected banks in cash or by request. Because the insurance industry is now opening up, it now has enormous growth potential. According to the Ministry of Finance, at the time of market opening, just 0.5% of the population in Myanmar (300,000 of the total population of 60 million people) was insured. MIC, which spans the country through its approximately 40 offices and around 1,500 staff members, is now facing private-sector rivalry.

### **3.3.3 Foreign Insurance Companies**

The biggest insurance companies in the world are setting their sights on Myanmar. There are many opportunities; a large population, economic reforms, and natural resources could combine to create increasing wealth among the citizens of Myanmar. The nearly 60 million populations make it one of the regions of largest. The gross domestic product per capita is also over \$850, close to the \$1,000 mark that insurers claim is the level at which people begin to purchase insurance. For construction projects, there is also money to be made by providing coverage for the upcoming boom. Each year, the nation is expected to produce insurance premium income between Kyats 1.3 trillion (US\$ 1.35 billion) and Kyats 2.4 trillion (US\$ 2.5 billion). With international insurers, the market is likely to be lucrative. Many international insurers set up their representative offices in 2014 and were ideally positioned to join the insurance market in Myanmar as soon as it was opened up to foreign investment. Sampo Japan Insurance, Mitsui Sumitomo Insurance Co, Tokio Marine & Nichido Fire Insurance Co, Taiyo-life Insurance Cim Poema Insurance, American International Assurance Co, The Great Eastern Life Assurance Co, Prudential Holdings, ACE INA International Holdings, Pana Harrison (Asia) Pte, Manulife Financial Life Insurance, Ma This process will allow these multinationals to gain key strategic insights and contacts in the insurance industry in Myanmar and provide them with an early mover advantage worth hundreds of millions of dollars once the market is opened up to foreign insurers. Three Japanese insurance companies, Sampo Japan Nipponkoa, Mitsui Sumi Tomo Insurance Co, and Tokio Marine & Nichido Fire Insurance Co, were allowed to operate within the Special Economic Zone of Thilawa in May 2015.

### **3.4 Citizen Business Insurance Background**

CB Insurance was founded in 2012 and is a public company. CB Insurance is a public company that has a mission and a willingness to bring innovative products to the communities that are backed by best practice operation. Our aim is to be the leading provider of life insurance, combining our investment strategies with financial expertise and strength. Mr. Khin Mg Aye is a part of the long-renowned chairman of the CB Bank. CB Bank's branches runs to over 500 employees. CB Insurance provides two thousand million kyats of insurance product and income generation in the May 2019 financial year. Health insurance is a popular product and total premium income in May 2019 is 135, 271, 000.00 Kyats and 138, 912, 708.00 Kyats public life premium income.

### **3.4.1 Vision, Mission and Business Strategy**

#### **Vision**

To be the leading provider of life insurance, contributing to society by innovative products and the highest standard of services and consistently creating sustainable wealth for all stakeholders.

#### **Mission**

Providing security, savings and investment needs for our customers through creative products and services.

#### **Business Strategy**

CB Insurance Co., Ltd has established its business strategy as follows;

- ❖ Finding target markets with potential for growth
- ❖ Penetrating new Life markets in various major cities
- ❖ Expanding geographic scope to cover the country's untapped sections.

### **3.4.2 The process for taking a policy on life insurance**

Life policy is based on the principle of utmost good faith theory. It is quite easy to fill out the process in the document. The person who wants to make an investment in the form of insurance is almost like a home industry. The first thing to do is fill out a form of a proposal.

The request proposal form contains the following details:

- (a) Name, ethnicity, permanent residential address, occupation, type of duties, present name of employer, length of service, previous record of employment, full name of family.
- (b) Birth place, date of birth, age proof and birth area.
- (c) Length of insurance, essence of insurance, form of insurance policy, sum to be covered, level of premium payable-annual, semi-annual, quarterly and monthly.
- (d) Individual height and weight knowledge where life is suggested.
- (e) Descriptions of any previous insurance plans, whether one or two.
- (f) Family history, father, mother, brothers, sisters, children's history.
- (g) Disease details such as epileptics, asthma, tuberculosis, cancer, leprosy, etc.
- (h) Past incident reports, injury records, operating diseases.

### **Medical examination**

If the applicant has a family history of illness then the investment process is more detailed and explanation of permanent immunity and other family illnesses, including behavior, name, employment, occupation and salary, must be given. A person of normal health is almost a matter of formality through a medical examination.

### **Medical Report**

The next step is to undergo a medical examination by one of the doctors approved by the Life Insurance Company after completing the application form.

The test is typically a standard form in which the applicant's identity, appearance, height, weight, state of teeth, eyes, mouth, tongue, ears, and heart, abdomen, metabolism, nervous system, and past procedure are taken into account to assess the individual's lifespan.

### **Agent's Report**

The third step is a confidential report of nature. It's made by the agent who helps the person's life. His report consists of the insurer's age, fitness, and profession, soundness of premium payment, good health and longevity of life.

### **Acceptance of Proposal**

The Life Insurance Company approves the insurer's proposal on the agent's dedication and taking into account the medical report of the doctor. The factors that dominate the position are the premium mode, form of policy, the applicant's age, health, occupation, and habits.

Upon considering these considerations and satisfying the officers of the Life Insurance Company, the form will be approved. The type of an investor will only be refused if he suffers from severe illness or if the longevity of life cannot be guaranteed.

### **Proof of age**

The next step after a person's idea has been approved is to ask him to provide proof of age.

The person interested in insuring himself may provide this proof by sending one of the following documents:

- a. A copy of a certificate documenting the school leaving examination with age or date of birth indicated therein
- b. Municipal records

- c. Original horoscope prepared at the time of birth, where no proof of age is available
- d. In the case of uneducated families, entries into the family record through birth register
- e. Employer's Certificate
- f. Any other satisfactory proof.

### **Premium Mode**

When an investor puts a life policy on his portfolio, he has to pay a payment for this investment to the life insurance company. This fee is considered a premium and can be charged on a regular basis.

It can be charged yearly, semi-annually, quarterly or monthly. Generally, after the due date of the premium payment, a period of 30 days is granted as a grace. The premium rates are specific for various types of policies that are offered as investment.

### **Issue of policy**

The CB Insurance delivers a life policy to the insured when all these formalities are done. The legal document outlines the specifics of the contract between the insurance insurer and the insured.

It includes information of the age, address, amount guaranteed, form of policy with or without benefits, maturity date, premium, mode of payment of the premium, name of the person entitled to receive the ultimate amount, amount at the end of the policy, surrender value of the policy, resolution of policy claims and all other contractual conditions.

The scheme is sent by the CB Insurance Company under its seal and its officers' signature. The investor begins his investment in the CB Insurance Company upon receipt of this agreement.

## **3.5 Citizen Business Insurance Organization Structure**

The CB Insurance Company is systematically established according to international levels with transparent management practices. The CBI is the Public Life Insurance Company. The company strives to have the prime objective of reputation as a Public Life Insurance Company. The CB Insurance Company is established under the umbrella of the CB group of Companies based on the shares from 12 pioneers.

The CBI is supported by four main divisions. They are operation division, commercial division, finance division and corporate service division. Under operation division, there are three departments to support its functions. Likewise, commercial division has two

departments and there are five departments in financial division and three departments in corporate service division.

Under operation division, there are- (1) operation-admin department, (2) underwriting department and (3) claims department. Under commercial division, there are- (1) Sales and marketing department and (2) customer service department. Under financial division, there are- (1) Accounting and fiancé, (2) Investment, (3) Actuarial and product, (4) Product Strategy and (5) Risk management department. Under corporate service division, there are- (1) Admin department, (2) HR department and (3) IT department.

### **3.6 Types of Life Insurance Products in CB Insurance**

There are two main types of life Insurance products in CB Insurance. They are;

#### **(1) Long Term life Insurance**

- Government Service Personnel Life Insurance
- Military Personnel Life Insurance
- Public Life Insurance

#### **(2) Short Term Life Insurance**

- Group Life Insurance
- Athletes Life Insurance
- Travel Life Insurance
- Health Insurance
- Snake Bite Life Insurance

#### **3.6.1 Long Term Life Insurance**

CB Insurance in Long Term Life Insurance is that provides coverage for a limited period of time, the applicable longevity, at a fixed rate of payments. After that period expires, coverage at the previous premium rate is no longer guaranteed and the consumer has to forgo coverage or potentially receive additional coverage with specific premiums or conditions. The death insurance will be paid to the beneficiary if the life insured dies during the term. Term insurance is usually the least expensive way to buy a significant death benefit over a specified period of time on a coverage sum per premium dollar basis.

## **Government Service Personnel Life Insurance**

In CB Insurance, government employees under the age of 50 will be covered by compulsory life insurance and government employees exempted from compulsory life insurance over the age of 55. The maximum amount insured is 30 million kyats. Insurance is determined on the basis of the insurance policy definition and amount insured. If the proponent is between 18 and 50 years of age or the amount insured below 1,000,000 kyats, then the proponent is excluded from medical check-up. If the insured total exceeds 1,000,000 kyats/- and/or the adherent reaches the age of 50, a medical check-up with a specialist is required. (To be submitted a medical report on X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B and Hepatitis C.)

## **Military Personnel Life Insurance**

Under CB Insurance, Military Personnel life insurance is influenced by the officer and other ranks between the ages of 18 and 55. The maximum amount insured is 30 million kyats. If the insured amount is less than 1,000,000 kyats, the applicant is excluded from medical check-ups. If the insured total reaches 1,000,000 kyats/-, a medical check-up with a specialist is provided by the proposer. (To be submitted a medical report on X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B and Hepatitis C). It is possible to purchase the military life insurance policy for 5, 10 or 15 years.

## **Public Life Insurance**

Public life insurance products are included in CB Insurance; a person may voluntarily purchase the Public Life insurance. The age limit is between 10 and 55 years. The minimum amount insured is 50,000 kyats/- and the maximum amount insured is 30 million kyats. Every supporter has to do a medical check-up with a specialist. (To be submitted a medical report on X-rays, E.C.G, Ultra Sound, Diabetes, Hepatitis B and Hepatitis C). Insurance payments can be made on a quarterly or biannual or annual basis. Public life insurance policy for a period of 5, 10 or 15 years can be bought.

### **3.6.2 Short Term Life Insurance**

#### **Group Life Insurance**

In CB Insurance; Group Life insurance is available in all workers aged 18 to 60. At least five employees are required by Group Life. Representative Head leaders or staff can insure. Employees will guarantee up to a maximum of 50 lakh (kyats) at least 10,000 kyats. The term is only 1 year and the insured must pay 1 time for the premium raise. No medical check-up is required for all workers who are in good health from the age of 18 years to 45 years. Age over 45 years or higher than 10 lakhs need specialist medical coverage. If covered suicide itself involves narcotic drugs, it is not possible to benefit from death by including workers in criminal cases. After the employees leave work or have been terminated, the insurance company is not responsible for his death and injury and the employees are also unable to receive any benefits.

#### **Athletes Life Insurance**

In CB Insurance, Sport-man life insurance can be obtained at Myanmar selection school-age level and athletes between the ages of 18 and 60 who are from section, village, township, district and divisional areas. Athletes will buy the maximum amount of Five thousand Ks can be insured. For the one-year insured amount of 1,000,000 kyats/-(one unit), the premium is 5,000 kyats/-whatever (sports). If during the competition and preparation the insured loses their lives, the beneficiary will claim 1,000,000/-kyats. If the insured has been injured, the appropriate amount of compensation will be charged in compliance with the medical report and the terms of the contract. Myanmar Insurance undertakes medical check-up insurance exemption. The candidate may be listed in the proposal by the proposer. Together with the golfer, the caddie can also buy this policy. The chosen country representative athletes competing abroad can get the surrender for death and injury to the body. The athletes can get the full hospitalization kyats of 10,000/-per week, up to 52 weeks.

## **Travel Insurance**

In CB Insurance, the provision of Travel insurance products is; in the event of an accident caused by any vehicle/ vessel/ aircraft on the insured person's against death or physical injury as per policy condition. 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

Complete profit paid to the appointed recipient during the period of this cover in the event of the proposer's death caused by an incident. Appropriate amount of benefit will be paid for injury based on the extent of injury. Exclusions of the following situations:

- 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 women
- e. any breach of law with criminal intent
- f. using narcotic drugs and
- g. war, strike, riot and civil commotion.

## **Health Insurance**

In CB Insurance, each person between the ages of 6 and 65 who is in good health has acquired health insurance cover. Additional health insurance cover and optional health insurance cover can also be offered in combination with the basic health insurance policy. Only after he / she have purchased 1 unit of basic health insurance cover can one buy additional and optional coverage. The units protected by the Supplementary Health Insurance should not surpass the units obtained from the Standard Health Insurance cover. Following the purchase of one unit of Basic Health Insurance cover, one unit to eight units of Additional Health Insurance cover and one unit to ten units of Optional Health Insurance cover could be obtained freely on agreement. The Health Insurance premium cost table is shown as an appendix. The term is for one year. In the case of accidental hospitalization, the insured may apply for 20,000 kyats per day for 1 unit of basic insurance cover up to a maximum of 60 days. In the event of death by mistake, 2,000,000 kyats could be claimed. In the case of death by illness and complete disability, 1,000,000 kyats could be reported. The insured will claim

10,000 kyats per day up to a maximum of 60 days of hospitalization costs for 1 unit of Additional Health Insurance coverage. And it could also claim 1,000,000 kyats for accidental death, disease-by-illness death, and complete disability. The insured may demand the actual cost of surgical case and/or a total of 500,000 kyats for 1 unit protected by Optional Health Insurance (1). The insured could claim 300,000 kyats in the case of loss of pregnancy and a limit of 500,000 kyats in the case of surgical cases. In the case of a tumor that can lead to cancer, paralysis and heart failure, kyats 1,000,000 could be reported for free health insurance coverage. For his / her hospitalization, the insured must notify the insurer and him / she will claim the payout for 10 days after the post-hospitalization date. Health insurance may be provided by insurance agents. The fee for the agents is 10 percent of the premium. In 3 months, the insured must apply the specifications for the insured's appeal. If not, the insured's profit would be lost.

### **Snake Bite Life Insurance**

In CB Insurance; Snake Bite Life Insurance; there is no age and gender limit. Adult proponent will buy for the proponent of babies. The insured sum is 500,000 kyat per unit, the one-unit premium for one year is 500 kyats per unit. One purchase of up to 10 units, of which 5,000,000/- is the maximum insured number. If, within the protected era, the insured died by snake bite, the beneficiary can get 500,000 kyats. For injury, the maximum benefits for medical treatment in 80,000/- Ks. If it is possible for the claim hospitalization and transportation charges can be claimed for 5,000/- Ks. If the snake bitten by the insured earned P.T. D, maximum benefit kyats 250,000/- will be compensated for complete and irrecoverable loss of sight of both eyes, loss of limbs and permanent total disability by the health department's advice. If death or injury occurred, the beneficiary may claim compensation from Myanmar Insurance with the following document within 6 months of the date of bite of the snake; referral for medical treatment by the rural health center or the cottage hospital or township or health department, copy of the hospitalization treatment report, copy of the death certificate and recommendation.

### **3.7 Terms and Conditions of Long Term and Short Term Life Insurance**

The proponent may demand defeat, death, maturity, Loan, discounted value and permanent disability for public life insurance. The proposer may demand resignation, maturity, death, loan, paid-up value and permanent disability for life insurance of government

service employees. For military personal life insurance, the proposer can demand resignation, maturity, death, loan, discounted value, and permanent disability. By comparison to major medical or long-term policies, short-term insurance often provides the exact amount of days needed to be paid, but typically requires payment in advance for the time the customer needs coverage. Short-term plans are specifically designed for a period of one year or less to accommodate both medical and travel experiences. The customer is entitled to choose their own cap and penalty package, allowing the customer's coverage and price to remain in control. Most short-term plans lack pre-existing condition coverage-meaning that if the consumer has a condition on the first contract, a second short-term plan may not be protected if the customer buys.

## **CHAPTER IV**

### **ANALYSIS ON CUSTOMER ATTITUDE TOWARDS LIFE INSURANCE PRODUCTS OF CB INSURANCE**

This chapter analyzes the customer attitude towards insurance as mentioned above. This chapter includes survey design, respondents of demographic profile, customers' practice analysis on insurance and customer attitude analysis on insurance products.

#### **4.1 Survey Design**

The purpose of this study is to examine the awareness and attitude of the consumer towards life insurance products that CB Insurance offers. To enforce the study's objectives, a sample survey was conducted with the questionnaire listed in the Appendix (Kindly Type in) to obtain the required data. Test customers are chosen from CB's existing customers using the systematic sampling technique. A customer is randomly selected first in the process of selecting the sample customers, and then every fifth customer is selected as a sample unit after a previous one.

A sample of 160 customers was chosen, and the questionnaires were requested to be completed. Of the 160 questionnaires, 10 were considered to be incomplete and were therefore rejected. Therefore, for this analysis, the number of sample clients was 150. The questionnaires used for this analysis comprised three main parts:

- (1) Demographic Awareness Questions,
- (2) Consumer Insurance Practice Questions,
- (3) Belief, Impact, and Life Insurance Benefits Questions.

Sections (1) and (2) of the questions are closed questions. In the last section, the questions are calculated on a five-point Liker scale (first strongly disagree with 5th strongly).

#### **4.2 Demographic Profile of Respondents**

This segment defines the demographic profile of clients such as gender, age, level of education, occupation, and monthly income. This section presented demographic information data from the questionnaires that were interpreted and summarized in the distribution of

frequencies and distribution of percentages. For graphical presentation, the frequency analysis of the demographic data of the respondent is displayed in the pie chart.

#### 4.2.1 Gender-based of Respondents

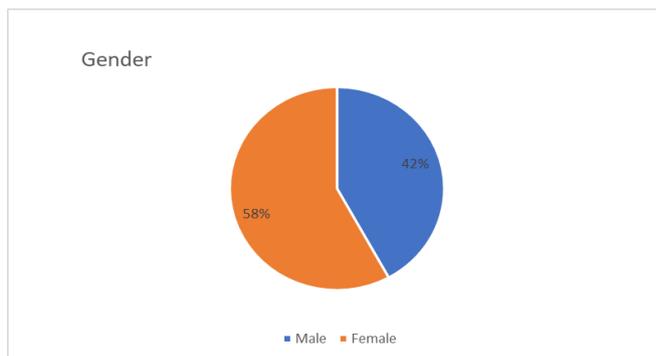
The respondents are not only males but also females. Below table & chart show the gender of respondents.

**Table (4.1): Gender-based of Respondents**

Gender		
Male	63	42%
Female	87	58%
Total	150	100%

Source: Survey data, 2019

**Figure (4.1): Gender-based of Respondents**



Source: Survey data, 2019

As shown in Table (4.1) and Figure (4.1), 63 Male clients and 87 Female clients are included in this study. 42% of Male customers use insurance and 58% of Female customers use insurance. This finding indicated a greater interest in insurance among female respondents.

#### 4.2.2 Age Group Respondents

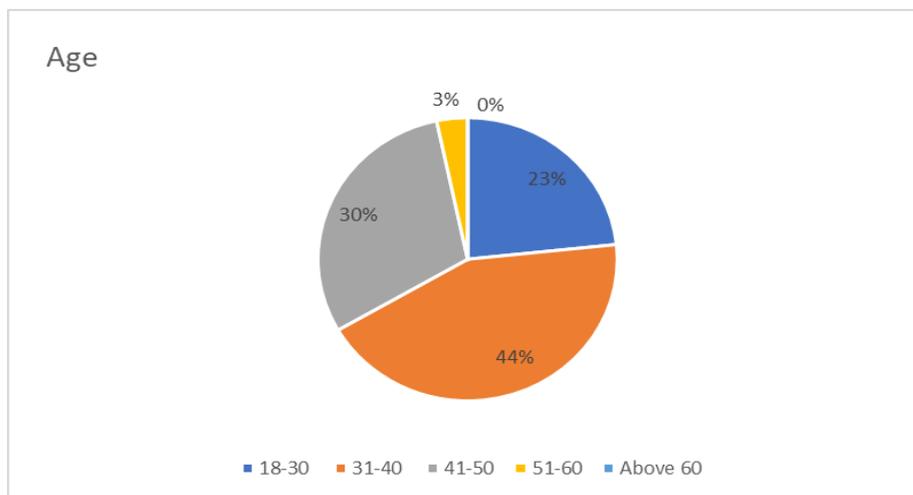
The respondents' ages are listed into five classes ranging from 18 to 30 years, 31-40 years, 41-50 years, 51-60 years and 61 years and older. Below table and chart presents the distribution of the age of respondents.

**Table (4.2): Age Group Respondents**

Age of respondents		
18-30	35	23%
31-40	65	43%
41-50	45	30%
51-60	5	3%
Above 60	0	0%
Total	150	100.0%

Source: Survey data, 2019

**Figure (4.2): Age Group Respondents**



Source: Survey data, 2019

The respondents' age is divided into five sections, as shown in Table (4.2) and Figure (4.2). It is noted that there are 35 respondents between 18-30 years old, 65 between 31-40 years old, 45 between 41-50 years old, 5 between 51-60 years old and not over 60 years old. In terms of percentage, the second most interested group is consumers who are between 31 and 40 with 44 percent and 41 to 50 years of age. But not have at the age of over 60 and above.

### **4.2.3 Education Levels of Respondents**

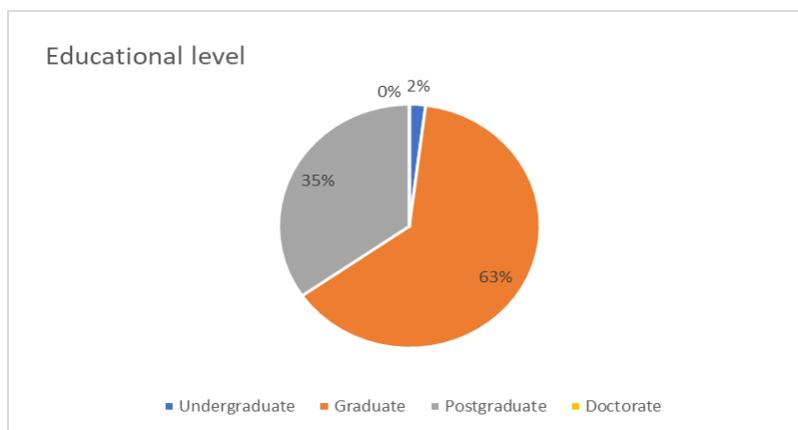
The table and figure below shows the distribution of respondents' level of education. The sample includes four levels of education among the respondents; undergraduate, graduate, postgraduate and Doctorate.

**Table (4.3): Education Levels of Respondents**

Educational level		
Undergraduate	3	2%
Graduate	95	63%
Postgraduate	52	35%
Doctorate	0	0%
Total	150	100%

Source: Survey data, 2019

**Figure (4.3): Education Levels of Respondents**



Source: Survey data, 2019

According to the Table (4.3) and Figure (4.3), it is found that the largest are graduate 63% and follow by 35% post graduate of total market.

#### **4.2.4 Monthly Income Level of Respondents**

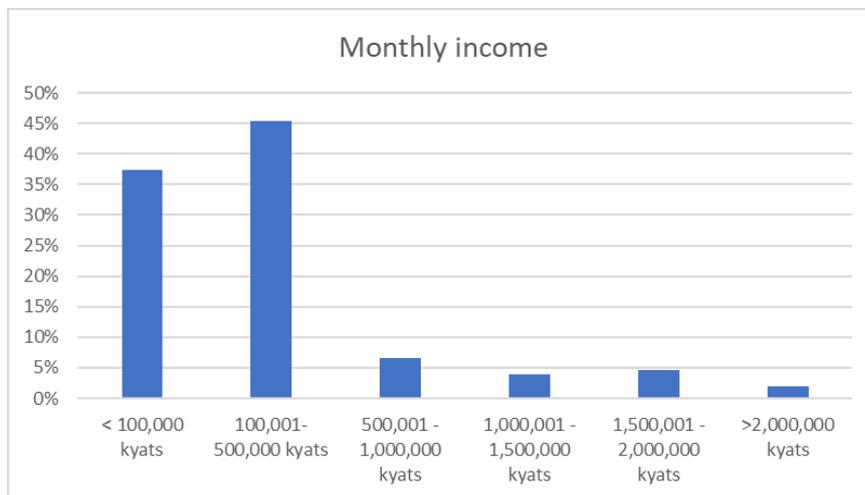
Monthly income is classified into five groups as under 100,000 kyats, 100,001 kyats to 500,000 kyats, 500,001 kyats to 1,000,000 kyats, 1,000,001 kyats to 1,500,000 kyats, 1,500,001 to 2,000,000 kyats and more than 2,000,000 kyats.

**Table (4.4): Monthly Income Level of Respondents**

Monthly income		
< 100,000 kyats	56	37%
100,001- 500,000 kyats	68	45%
500,001 - 1,000,000 kyats	10	7%
1,000,001 - 1,500,000 kyats	6	4%
1,500,001 - 2,000,000 kyats	7	5%
>2,000,000 kyats	3	2%
Total	150	100%

Source: Survey data, 2019

**Figure (4.4): Monthly Income Level of Respondents**



Source: Survey data, 2019

Base on the survey Table (4.4) and Figure (4.4), monthly income 100,000 and 100,001 to 500,000 are the most people who bought the product and 37% to 45% respectively.

#### **4.2.5 Insurance Products bought by Respondents**

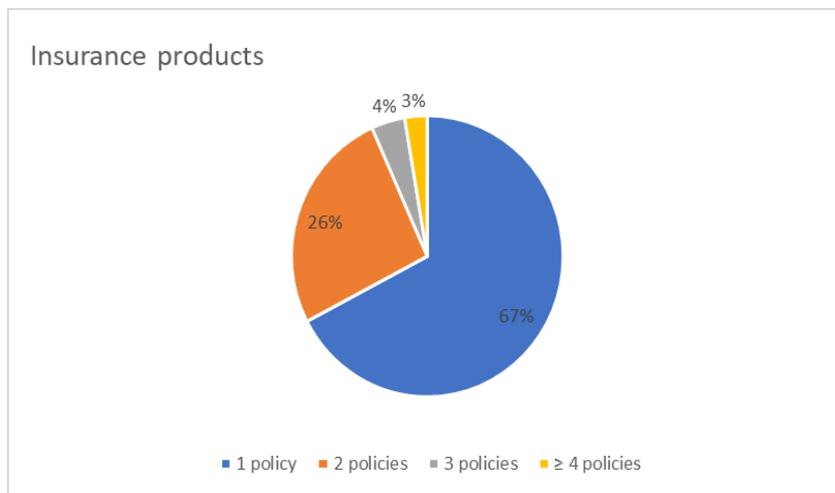
The number of policies used by CB Insurance is divided into four categories in this report. Up to more than four policies, the consumer can buy just one policy. The table below shows the number of policies purchased.

**Table (4.5): Insurance Products bought by Respondents**

Insurance products bought by respondents		
1 policy	101	67%
2 policies	39	26%
3 policies	6	4%
≥ 4 policies	4	3%
Total	150	100%

Source: Survey data, 2019

**Figure (4.5): Insurance Products bought by Respondents**



Source: Survey data, 2019

Base on the survey Table (4.5) and Figure (4.5), CB insurance is a weak at cross selling and most bought only one policy (67%).

#### **4.2.6 Influential Sources of buying Insurance Products**

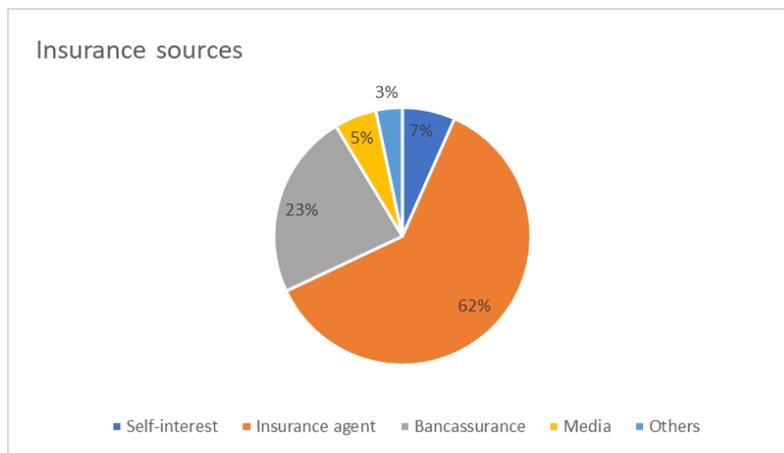
There are five factors that influence buying insurance policy for the respondents. These are the customer's self-interest, insurance agent, media, banking and other consideration of the consumer. The following table and figure illustrates the factors influencing insurance.

**Table (4.6): Influential Sources of buying Insurance Products**

Influential sources of buying insurance products		
Self-interest	10	7%
Insurance agent	92	61%
Bancassurance	35	23%
Media	8	5%
Others	5	3%
Total	150	100%

Source: Survey data, 2019

**Figure (4.6): Influential Sources of buying Insurance Products**



Source: Survey data, 2019

Base on the data Table of (4.6) and Figure (4.6), insurance awareness in Myanmar is still not mature yet .Most bought from the insurance agent. It's highest for 62%.

#### **4.2.7 Reasons to buy Insurance Products for type of benefit**

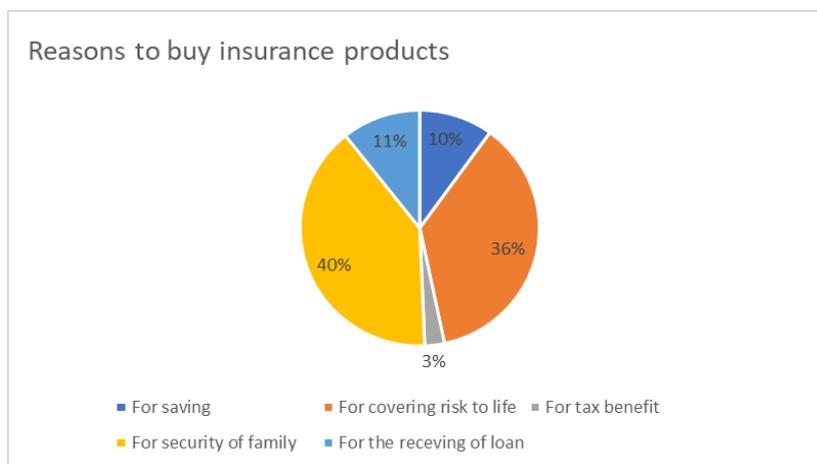
For this study, there are five reasons among the respondents for buying insurance products.

**Table (4.7): Reasons to buy Insurance Products for type of benefit**

Reasons to buy insurance products		
For saving	15	10%
For covering risk to life	55	37%
For tax benefit	4	3%
For security of family	60	40%
For the receiving of loan	16	11%
Total	150	100%

Source: Survey data, 2019

**Figure (4.7): Reasons to buy Insurance Products for type of benefit**



Source: Survey data, 2019

Base on the data of Table (4.7) and Figure (4.7), most bought insurance for the safety and security for the family 40% covering risk to a person and 37% covering risk for family life.

#### **4.2.8 Life Insurance products bought by respondents**

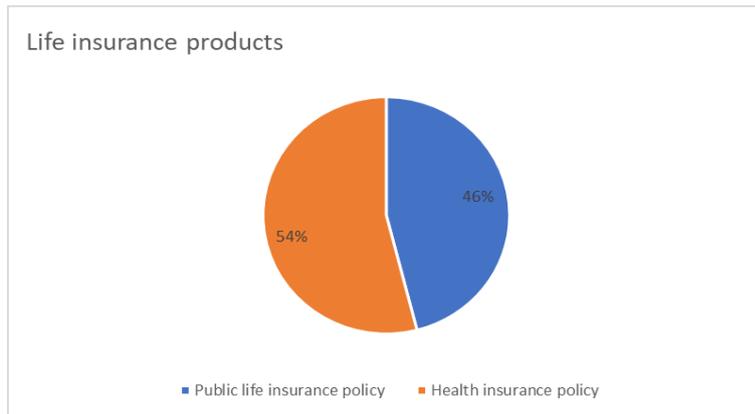
For this study, we do study which life insurance product are more popular than others.

**Table (4.8): Reasons to buy Insurance Products**

Life insurance products bought by respondents		
Public life insurance policy	69	46%
Health insurance policy	81	54%
Total	150	100%

Source: Survey data, 2019

**Figure (4.8): Reasons to buy Insurance Products**



Source: Survey data, 2019

Base on the data of Table (4.8) and Figure (4.8), more people purchase the health product but, these two products popularities are not distinct differences.

### 4.3 Analysis on Customer Attitude of Insurance Products

In this segment, there are three main parts designed to obtain the degree of attitude of the respondents on the extent to which the attitude of the tri-component model is based.

#### 4.3.1 Customer Cognition (Belief) on Insurance Products

There are five questions for analysis the customer attitude on cognition (belief) belief component.

**Table (4.9) Show the customer Cognition (Belief) on Insurance Products**

No.	The customer Cognition (Belief) on Insurance Products	Mean value	Standard Deviation
1.	Customers are satisfied with the system of Life insurance practice in Myanmar.	3.10	1,02
2.	Customer's awareness about Life insurance rule does not affect buyer's attitude.	2.83	1.17
3.	There is high awareness about Life insurance practice in Myanmar.	3.24	1.02
4.	There is increase in the awareness of Life insurance products.	3.59	0.88
5.	There is need for every individual to have Life insurance policy.	4.35	0.98
<b>Overall score</b>		<b>3.67</b>	

Source: Survey data, 2019

According to Table (4.9), the need for each person to have an insurance policy had the highest average score of 4.35, while the knowledge of customers about the insurance law does not apply to the attitude of the consumer had the lowest average score of 2.83. The mean cognition factor average score is 3.67. The respondents are seen to recognize the need to buy insurance products and their knowledge of insurance laws and products influence the attitude of the buyer.

#### **4.3.2 The average means score for this analysis of customer Attitude on Behavior Component**

There are five questions for analysis the customer attitude on conation (behavior) component.

**Table (4.10) Show the customer attitude on conation (behavior) component**

<b>No.</b>	<b>The customer attitude on conation (behavior) component</b>	<b>Mean value</b>	<b>Standard Deviation</b>
1.	Customers have adequate knowledge of Life insurance rules.	2.72	0.98
2.	Buyers have negative attitude towards obtaining Life insurance products.	2.55	0.95
3.	Individual use adequate criteria to make Life insurance buying decisions.	2.93	1.11
4.	Buyer's Traditional thinking of negative attitude is not related to claims rejection.	3.94	1.05
5.	Improved use of advertising and publicity will change attitude towards Life insurance services.	4.47	0.84
	<b>Overall Score</b>	<b>3.44</b>	

Source: Survey data, 2019

Negative attitude towards receiving insurance product has earned the lowest mean score of 2.55 according to Table (4.10). The average conation factor mean score is 3.44 and

this suggests insurers will concentrate on marketing and advertisement to influence consumer purchase insurance decision.

### 4.3.3 Customer Affection (Feeling) on Insurance Products

There are five questions for analysis the customer attitude on affection (feeling) component. Below table shows the average mean score for this analysis.

**Table (4.11): Customer Affection (Feeling) on Insurance Products**

No.	Customer Affection (Feeling) on Insurance Products	Mean value	Standard Deviation
1.	Life Insurance products are too expensive to purchase.	3.22	1.15
2.	Premium for the Life insurance are expensive.	3.01	1.16
3.	Claims rejection affects attitude towards Life insurance services.	3.79	1.18
4.	Effective claims service will positively change attitude towards Life insurance.	4.28	0.99
5.	Low personal income affects attitude towards buying of Life insurance products.	4.08	1,06
	<b>Overall score</b>		<b>3.73</b>

Source: Survey data, 2019

According to Table (4.11), respondents believe a successful claim service would change the attitude towards insurance positively and receive the highest average score of 4.28. The insurance premium's expensiveness earned the lowest mean score of 3.01. Since the average mean score for customer affection is 3.73, low personal income among people is considered to mainly affect the attitude towards buying insurance products.

In conclusion, this is the tri-component of CB Insurance's consumer attitude towards insurance products. In the table below, it analyses the overall customer attitude towards insurance products with respect to three elements.

#### 4.4 Tri-Component of Customer Attitude towards Insurance Products

In the three-dimensional tri-component study of that high attitude on Customer Affection (Feeling) on Insurance Products and the customer attitude on conation (behavior) component in Yangon. Table (4.12) shows the aggregate mean average scores of each element.

**Table (4.12): Tri-Component of Customer Attitude towards Insurance Products**

<b>No</b>	<b>Tri Component</b>	<b>Mean (Average Mean Score)</b>
<b>1</b>	<b>Belief</b>	<b>3.67</b>
<b>2</b>	<b>Feeling</b>	<b>3.73</b>
<b>3</b>	<b>Behavior</b>	<b>3.44</b>
	<b>Overall score</b>	<b>3.61</b>

Source: Survey data, 2019

According to the Table (4.12); the Tri-Component Model's average customer attitude to insurance products is 3.61. It suggests that the respondents have a positive attitude to insurance products. The respondents interpret the most significant aspect of the influence (feeling). Most of the respondents found successful claims systems would change their attitude to insurance products positively. The respondents agree any person need to insure for the Cognition (Belief) component, and the respondents ' response to the Conation (Behavior) component indicates that insurance products advertisement, marketing and publishing will improve the customer's attitude to insurance products.

## **CHAPTER V**

### **CONCLUSION**

This chapter presents the results of CB Insurance Company Limited's review of consumer attitude on insurance products, recommendations and the need for further research.

#### **5.1 Findings and Discussions**

This paper presents the insurance business as a theory in literature and also shows the insurance business in practical ways relevant to insurance consumer perspective on insurance products, sample as CB insurance activities. This report on insurance business research analyzes CB insurance's actual business condition and the customer's attitude. A good business opportunity for the future is the positive result of the customer's attitude towards the insurance products. Yet statistical analysis provides greater concreteness of the actual results.

For the analysis with a well-structured questionnaire, survey research design was adopted as the major research method for gathering information from the respondents. Tri-component attitude model is used for the study of this survey to organize the questions based on the component of conviction, affect the component and the component of actions.

Once the questionnaires have been thoroughly evaluated as completed by the respondents, it is found that the consumer agrees that each individual needs insurance policy. They believe that insurance companies have good insurance practice, obey the law and buyer attitude of Myanmar Insurance related to insurance knowledge. But the finding shows that people are not exceptionally high in their knowledge of insurance products. Most respondents were unaware of the insurance products and were never used. It also reported that those who knew about insurance were mostly government employees such as military officers with mandatory life cover, some small business owners, and regulated consumers of finance whom banks had to purchase insurance to protect their collateral. Besides those few who were covered by insurance, there were a few respondents who were aware of insurance by having family members who worked for the government or by relatives who lived abroad and had insurance cover. In fact, the qualitative analysis showed that insurance information did not automatically turn into demand. This seemed that it was not always respected by those who had insurance cover and did not anticipate extra protection beyond what was mandatory. There was little information about how to get cover in the few cases where respondents showed interest in insurance.

The outcome of the affect aspect attitude indicates that the respondents thought that the insurance policy's purchasing conduct was related to personal income and successful claim services. Private insurance companies offer good services, but they have earned no subsidies from governments. The recent widening of the insurance market would accelerate growth for new domestic entrants. Nevertheless, this growth is not likely to focus on the low-income sector, although it is possible that some of the traditional market will be low-income, e.g. government workers. Given the current monopolized nature and low insurance take-up in Myanmar, newly licensed insurers will have plenty of opportunities to pursue, particularly if current market liberalization efforts continue. The current insurance line limitation will further increase insurers' emphasis on traditional insurance lines.

This result shows that customers had less adequate insurance rule awareness and did not use adequate insurance product requirements for the last study of customer attitude on behavior variable. So they think insurance intermediaries' appropriate skills and insurance policy advertisement and ads will boost consumer attitude. Most of Myanmar's citizens have little insurance knowledge and awareness. Insurance companies should therefore ensure that all laws that govern insurance policies are made public without any sort of confusion, as this will positively influence people's attitude towards buying insurance products.

Insurance companies will ensure that the denial of claims is reduced to the minimum, as this will encourage more people to purchase insurance policies. Insurance companies should spend more in ads and publicity as this will increase insurance awareness and thus affect people's purchasing decision. Insurance companies should also do their utmost to develop a successful claim service, as this will also have a positive impact on the purchasing decision of customers. Eventually, insurance companies will ensure that claims are made as quickly as possible as the timely payment of claims also has a positive influence on the purchasing decision of consumers.

## **5.2 Suggestions and Recommendations**

CB Insurance Co., Ltd will focus heavily on glamorous advertisements and different promotional tactics such as circulating brochures, installing hoardings and banners at important locations where people gather in large numbers to raise awareness. People should be educated through the provision of seminars in business conferences, the installation of stalls in business shows. CB insurance will offer workshops to provide information about the company and its products in educational institutions. It will also have to create a sense of

consumer protection, because most people in private insurance companies are afraid of surveillance. Therefore, CB insurance needs to explain and illustrate its program that will help the purchase of insurance. The government of Myanmar will allow a well-functioning insurance market to absorb a large part of the disaster losses suffered by individuals and businesses. The European re-insurance industry is able to work with the government to fund catastrophe costs by implementing pre-event funding options such as liability insurance and parametric insurance to reduce the government's remaining financial burden.

Few insurance products are currently available in Myanmar. More than 12 million adults 31% reported having an illness that involved unexpected medical costs for them or a member of their family. Such people are relied heavily on investments, asset sales, and receiving credit to cover the disease-related costs. Although the need for health care is universal, goods can be adapted to the specific circumstances and related delivery problems to meet the target groups.

Life insurance products are the most well-known products produced by CB insurance in insurance markets and have a positive impact on a country's demand-driven economic growth. One of the reasons that could account for a restricted commercial credit market in Myanmar could be the lack of credit insurance. There is an incentive for mobile phone users to have basic insurance. New models are being built in which a large percentage of customer bases of mobile network operators can enroll or are automatically enrolled in a group policy.

### **5.3 Needs for Future Research**

This study emphasizes the result of ASEAN countries and Myanmar's life insurance and insurance industry. And then this analysis analyzes the attitude of the consumer towards products of life insurance. In the sense that it only covers CB Insurance Co., Ltd, the study itself is limited. Today, the insurance industry needs to develop, making it more relevant for consumer understanding of insurance products. More work on the perception of the individual insurance policy and how to strengthen the positive attitude towards insurance products should be performed.

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Please tick in the box appropriate to the answers of your choice.

**Demographic characteristics**

- (1) Gender Analysis : Male ( ) Female ( )
- (2) Age : Below 18 ( )  
18 – 30 yrs ( )  
31 – 40 yrs ( )  
41 – 50 yrs ( )  
51 – 60 yrs ( )  
61 years and above ( )
- (3) Educational qualifications : Undergraduate ( )  
Graduate ( )  
Post Graduate ( )  
Doctorate ( )
- (4) Income Per Month (Ks) : Below 100,000/- ( )  
100,001/- \_ 500,000/- ( )  
500,001/- – 1,000,000/- ( )  
1,000,001/- – 1,500,000/- ( )  
1,500,001/- - 2,000,000/- ( )  
2,000,001/- and above ( )
- (5) How many insurance policies do you have?  
(a) 1  
(b) 2  
(c) 3  
(d) 4 and above
- (6) Who influence you to get insured?  
(a) Self Interest  
(b) Insurance agent  
(c) Bancassurance  
(d) Media  
(e) Others
- (7) For what you have insured yourself?  
(a) For saving  
(b) For covering risk to life  
(c) For tax benefits  
(d) For security of family

- (e) For the receiving of loan
- (8) Which of the following policy?
- (a) Public life insurance policy
- (b) Health insurance policy
- (9) What do you feel after investing in Life Insurance Plans of CB Insurance?
- (a) Satisfied
- (b) Neutral
- (c) Unsatisfied

**SERQUAL INSTRUMENT**

Please read the following statements carefully and given the rating.

(1 = Strongly Disagree, 2 = Disagree, 3 = Natural, 4 = Agree, 5 = Strongly Agree)

No.	Customer Attitude on Belief Component	1	2	3	4	5
1.	Customers are satisfied with the system of Life insurance practice in Myanmar.					
2.	Customer's awareness about Life insurance rule does not affect buyer's attitude.					
3.	There is high awareness about Life insurance practice in Myanmar.					
4.	There is increase in the awareness of Life insurance products.					
5.	There is need for every individual to have Life insurance policy.					

<b>No.</b>	<b>Customer Attitude on Behavior Component</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Customers have adequate knowledge of Life insurance rules.					
2.	Buyers have negative attitude towards obtaining Life insurance products.					
3.	Individual use adequate criteria to make Life insurance buying decisions.					
4.	Buyer's Traditional thinking of negative attitude is not related to claims rejection.					
5.	Improved use of advertising and publicity will change attitude towards Life insurance services.					

<b>No.</b>	<b>Customer Attitude on Affect Component</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Life Insurance products are too expensive to purchase.					
2.	Premium for the Life insurance are expensive.					
3.	Claims rejection affects attitude towards Life insurance services.					
4.	Effective claims service will positively change attitude towards Life insurance.					
5.	Low personal income affects attitude towards buying of Life insurance products.					

