

**YANGON UNIVERSITY OF ECONOMICS
MASTER OF PUBLIC ADMINISTRATION PROGRAMME**

**A STUDY OF PUBLIC AWARENESS ON INSURANCE POLICY
AND PRODUCTS IN YANGON**

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EMPA - 14 (16th Batch)**

DECEMBER, 2019

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**A STUDY OF PUBLIC AWARENESS ON INSURANCE POLICY
AND PRODUCTS IN YANGON**

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Master of Public Administration (MPA) Degree

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DECEMBER, 2019 ABSTRACT

Insurance business is introduced in Myanmar over 150 years ago since colonial period. Then after the independence the insurance market has been faded according to depart of Foreign Insurance companies who had been leading in the market. Since then, around from 1960 only Myanma Insurance Company which is the state owned is the only one company running the business over 50 years. In the year of 2010, new democracy government has emerged in Myanmar and need to grow the Insurance sector is one the new government's mission. In the year 2012, the insurance market has opened to private sector and issued license to private companies to work in the Insurance business. After over 5 years of opening up to private sector, Myanmar Insurance Market has started another step by accepting foreign investment as a whole or partially by joining with local insurance companies. Emerging Myanmar Insurance Market has many opportunities and as well as many challenges. This study is to examine the regulatory and policy framework, Human Resource, and Public Awareness on insurance policy and products in Yangon. The descriptive-analytical study was conducted on 286 participants who are working and having regular incomes and conducted executive interview and referenced through former research papers and reports. As a result of the study, may provide some of the facts of challenges related to the study area and can find some recommendations and suggestions to resolve in some way.

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LIST OF ABBREVIATIONS

AMI	AYA Myanmar Insurance
FRD	Financial Regulatory Department
GGI	Grand Guardian Insurance
GIC	General Insurance Corporation
IBRB	Insurance Business Regulatory Board
II	Insurance Institute of India
IRDA	Insurance Regulatory and Development Authority
LIC	Life Insurance Corporation
MI	Myanma Insurance
MIA	Myanma Insurance Associate
MII	Malaysia Insurance Institute
NBFCs	Non-Banking Financial Companies
PSU	Public Sector Undertakings
BNIC	Burma National Insurance Company
PBUP	People's Bank of the Union of Burma
UIC	Union Insurance Corporation
MIC	Myanmar Insurance Corporation
IBSB	Insurance Business Supervisory Board

CHAPTER I

INTRODUCTION

Insurance is a means of providing protection against financial loss in great variety of situation. As an example, life insurance helps to replace income lost to a family if wage earning parent dies and general insurance or non-life insurance which we also called as property insurance helps to replace financial loss. Insurance business can be used as a peace of mind for individuals and business entities, loss control measures, social benefit, investment of funds and invisible earnings.

The idea of insurance can be traced back to thousands of years. The insurance Principle of building reserves for the future is illustrated by the biblical story of Joseph and the famine in Egypt. The code of Hammurabi, the collection of Babylonian laws of the 1700 B.C included the form of credit insurance. Life insurance dates back to Raman times. The first successful insurance company, the amicable society for a perpetual assurance office was founded in England in 1705-1706 (Encyclopedia, 1992).

Insurance has been introduced in Myanmar over 100 years ago, since Myanmar had been colonized and was controlled by foreign companies. With independence in 1948, the roles of foreign insurance firms are start fading and in the form of Union Insurance Board Act which nationalized Myanmar Insurance Company and became Myanma Insurance. From there, foreign and private firms were slowly but steadily pushed out or shut down. In 1963 foreign insurance companies were nationalized and became state owned monopolistic business. Since then, over 50 years Myanmar Insurance Business has been slowed down and however, Insurance Business Law 1996 and the Insurance Business Rules of 1997 have established nothing has changed until political reforms in 2010 with reviving insurance industry.

Insurance is one of the main and important fields of the economy and one of the financial pillars for developing economies. Insurance plays great role both in

developed and developing countries' economy. According to our country's political reform, government ways of seeing economics is also changed and aware that insurance industry has to reform to meet new objectives of Myanmar's economy.

1.1 Rationale of the Study

Myanma Insurance, the state-owned company, was founded in 1952 and started as a life insurance company along with other foreign and private companies. Later on they started operate and underwrite both life and non-life insurance. Then, Myanma Insurance became standalone state owned insurance firm however there are some business joint ventures with foreign insurance firms, for example: in 1997 Malaysia's Jerneh Insurance established a joint venture with Myanmar International Insurance Corporation, which is related to the Myanmar Economic Corporation, and wrote local policies. In 1996 and 1997, Insurance Business Law and Insurance Business Rules have established and cover supervision, investment, accounting practices and consumer protection, in addition to other subjects related to the insurance sector. Only significant thing according to the establishment of these laws is Insurance Business Supervisory Board (IBSB), a body under the Ministry of Finance and Revenue. Technically, private and foreign insurers can operate in Myanmar under the 1996 law, but no full licenses had been granted.

Over 20 years later in 2012, IBSB has issued license to (12) local private insurance companies; with the set of minimum capital requirement. For companies which allowed to underwrite only life insurance must have MMK6 billions (\$5.4m) of paid up capital, non-life MMK40 billions (\$36m) and composite insurance companies MMK46 billions (\$41.4m). Among (12) companies, (9) companies are composite companies who can underwrite both life and non-life and remaining (3) companies can only underwrite life insurance. In 2013, (5) companies started operation and in 2015 almost all were in operation. (See the lists of local private insurance companies in appendix.)

In September 1, 2014 The Financial Regulatory Department (FRD) has been established under the Ministry of Planning and Finance. The objectives are:- to implement the Financial Inclusion Progress in Myanmar in cooperation with relevant Ministries, Government Organizations, Civil Service Organizations, International Organizations, Donors, Development Partners and Private Sectors, and to promote

high performances for multipurpose services of state-owned Banks, to develop Insurance Sector and Microfinance Sector, to Implement effective monitoring on State Lottery Enterprises.

Among of its functions which relevant to the insurance industry are to form “Myanmar Insurance Association – MIA” as to strengthen public private partnership in insurance industry, and to create “Insurance Sector Liberalization Plan” in line with international standard to allow doing business foreign players and local players alike in a level playing field. (FRD, 2014)

After two years later of establishment, the Financial Regulatory Department (FRD) reformed Insurance Business Supervisory Board (IBSB) to Insurance Business Regulatory Board (IBRB). According to an amendment in 2015 of the Insurance Business Law 1996, the powers and functions of IBSB have been transferred to the Financial Regulatory Department (FRD) under the Ministry of Planning and Finance. According to one of the functions to create liberalization, (34) foreign companies are permitted to open Representative Offices in Myanmar. (See Appendix) Among them three companies name, Sompo Japan Insurance Inc., Tokyo Marine & Nichido Fire Insurance Co., and Mitsui Sumitomo Insurance Co. are permitted to operate in Thilawa Special Economic Zone only.

One of the key functions of FRD has been accomplished by forming of Myanmar Insurance Association (MIA) in 2017. The association has taken major role in the industry and represents to encourage insurance industry and promote the development of insurance. Managing Director of Myanmar Insurance as the Chairman altogether with other 11 members from private and state-owned insurance firms and working together with FRD, IBRB, Insurance companies and agents in Myanmar. The objectives of MIA are to contribute towards the development of the system of market economy and to develop foreign and local investment, to expand insurance business locally and abroad and to cooperate between insurance companies, to be in abreast with international framework of laid down policy, to be beneficial to both insurer and insured, to promulgate people’s awareness on insurance, develop insurance habits and build trusts among public and to educate concerned individual organization to act in accordance with ethics/standard in doing insurance business.

After five years of reforming Myanmar Insurance Industry with local insurance companies, the next step is to liberalize the industry and allowed qualified foreign insurance companies to participate in the market. Ministry of Planning and Finance issue Announcement No. (1 / 2019) this stated to allow foreign insurance companies in two options. One is for the life insurance business; the foreign insurance companies can operate 100% on their own or joint venture with existing private life insurance companies and for the non-life (general) insurance business, the foreign companies have to go joint venture with existing local general insurance companies. After over five years of running business for local private companies, this phase of market liberalization will be the biggest opportunities and as well as the biggest challenges.

1.2 Objectives of the Study

Over five decades running as a state-owned business which has been opened for only five years have a lot of challenges. Soon to be that market has to be competing with the world experienced, Asia region and South East Asia ones by potential investments of Foreign Insurance Companies in the market. Challenges are still facing in the insurance market. The objective of the study is to examine the regulatory and policy framework, Human Resource, and Public Awareness on insurance policy and products in Yangon.

1.3 Scope and Limitation of the Study

The study of challenges in Insurance Industry is limited to the areas of regulatory and policy framework, lack of competent Human Resource and Public Awareness. Descriptive analysis is conducted to 286 respondents who are employees and self-employed personal from Yangon City.

1.4 Method of the study

To achieve the objective of the study, primary data and the secondary data is used in this study. Personal interview method is applied to collect the executive view

for the Industry from authorized persons of private insurance companies. Secondary data from Asia Development Bank Reports, US AID reports, Oxford Business Groups reports, and others are used as applicable.

1.5 Organization of the Study

The study is organized into five chapters. Chapter one is about introduction, rationale for the study, objectives of the study, scope and method of the study and organization of the study. Chapter two describes the literature review of the insurance. Chapter three involves overview of Myanmar Insurance Industry. Chapter four is about the research and analysis on people perspectives on Insurance Industry in Myanmar. Chapter five deals with the summary of findings, conclusions and recommendation of the study and need for further research.

CHAPTER II LITERATURE REVIEW

In this chapter, it starts with background of insurance and it will also include the concept of insurance, role of insurance in every business, types of insurance policy, current underwriting portfolios of Myanmar Insurance and other private insurance companies.

2.1 Evolution of Insurance Industry

At the dawn of modern human history, for early ancestors, the concept of risk can be thought of almost exclusively in terms of the physical persons of individuals, mitigated by the guarantee of personal and kin relationships, rather than objects and possessions. In the latter, among agrarian/pastoral societies, individuals have recognized their needs to mitigate risks that have the potential for ruin either as a result of the assets they hold simply by the fact of their existence in this world. In other words, a means was required for individuals to achieve at least a primitive form of financial diversification. Because risk is non-fungible at the individual level but the

outcome of loss is transferable in aggregate, individuals exposed to losses through common risk naturally formed themselves into groups to aggregate those risks, price the risk, and eventually even sell it to investors.

“Perceptions of risk and the institutional arrangements that have developed in response closely mirror philosophical advances society’s stance on the sanctity of the persons of individuals. Risk is commonly understood to exist and require management at the level of the individual rather than the group. The earliest known instance of insurance dates back to the Babylonian period circa 2250 BC, where the Babylonians developed a type of loan insurance for maritime business. Examples can be found in the Code of Hammurabi. Upon receipt of a loan to fund his shipment, a merchant would typically pay the lender an additional premium in exchange for the lender’s guarantee to cancel the loan should the shipment be stolen or lost at sea. In effect, the lender assumed the perils of the goods in transit at a premium rate of interest. The maritime loan therefore cannot be considered a stand-alone insurance contract, although the practice proved effective enough for it to later be adopted by the Greeks, Romans, and Italian city-states. Somewhat surprisingly, codified Roman law gave no recognition of insurance as separate from the maritime loan, but the precedent of life and health insurance could be recognized in the form of organized burial societies (Buckham . David, Jason Wahl, Stuart Rose, 2010).”.

Until the thirteenth century in the Italian city-states of Genoa and Venice, use of the maritime loan persisted. “Rigorous application of financial principles, as well as the city-states’ great fortune in escaping the stifling yoke of feudalism on commerce and trade and their convenient geographic location at the interstices of Eastern and Western culture, had given these merchants a commercial advantage, establishing a wealthy trading region (Buckham . David, Jason Wahl, Stuart Rose, 2010).” But maritime commerce supporting the economies of these city-states was conducted at the mercy of natural and human hazards. Very commonly, Shipwreck by storm or even poor navigation. Also, due to the pirates or corrupt officials, ships and their cargoes were constantly in danger or made to pay exorbitant tolls for safe passage.

The late fourteenth century on, the finance and insurance components by drawing up separate contracts for the debt and the marine insurance by merchant bankers began to split. The oldest of the modern lines of insurance business, thus separated credit risk from peril risk, reducing the cost both in the advent of marine insurance. Throughout Mediterranean, this innovation spread to the Adriatic,

eventually being adopted in England some 300 years later. “At the time there was growing demand to finance and insure voyages to the new colonies of the British Empire. Famously, merchants, ship owners, and underwriters would meet at Lloyd’s Coffee House in London to finance these ventures. Lloyd has developed into an association of underwriters, so called because insurance policies were backed by a number of individuals, each of whom would write his name and the amount of risk he was assuming underneath the insurance proposal. The term underwriting is today synonymous with Lloyd’s, but in fact originated in the Italian city-states (Buckham. David, Jason Wahl, Stuart Rose, 2010).”.

“The first example of modern life insurance was issued in January 1536 to William Gybbons of London and the policy was a one-year term policy. Insurance originally evolved as a commercial instrument, and it was not until after 1666 (Buckham . David, Jason Wahl, Stuart Rose, 2010).”.

“As a result of the Great Fire of London, the insurance for households, aptly named Fire Insurance, emerged. The aftermath of the Great Fire saw the creation by Dr, Nicholas Bardon of the first insurance company, The Insurance Office, in 1667. To protect the houses and other buildings it was insuring, other insurance companies soon followed and employed their own fire departments. Although fire insurance was initially restricted to houses, it was soon expanded to include business premises. Underwriting the risk of business premises burning down initially presented insurers with problems in assessing risk premiums, but by 1720, a group of London insurers had introduced risk classification to make insurance available even to hazardous trades. (Buckham, Wahl, & Rose, 2010)”.

2.2 Concept of the Insurance

Insurance means the act of securing the payment of a sum of money in the event of loss or damage to property, life, a person etc., by regular payment of premiums. Insurance is a way of reducing financial loss of hardship. It can help cover the cost of unexpected events such as theft, illness or property damage.

“Insurance is a form of risk management which is used primarily to hedge against the risk of a contingent, uncertain loss.” It provides financial recompense for losses suffered due to incident of unanticipated events, insured within the policy of insurance. (Dublin & Lotka, 1930)

Another meaning of insurance is that it is a contractual relation between insurer and the assured through which the former undertakes to indemnify the loss caused to the latter due to an uncertain risk involved or to pay a certain sum of money in the event of incident happening or not happening, against a consideration called as premium. (Ivamy, 1975)

The basic philosophy of insurance is a cooperative device by which the loss likely to be caused by an uncertain event is spread over a number of persons who are exposed to it and who propose to insure themselves against such an event. The essence of insurance is the elimination of risk and substitution of certainty for uncertainty. Insurance has both financial and legal meaning. In financial sense, insurance can be defined as a social device providing financial compensation, payments being made from the accumulated contributions of all parties participating in the arrangement. The essence of insurance thus, is collective bearing of risks as it involves pooling of risks. In legal sense, a contract of insurance is a contract between insurer and the insured requiring all the essentials of a valid contract according to the law of contracts.

Human beings are continuously trying to control the Mother Nature. Only a little of nature can be controlled, and the most elements are still uncontrollable. For the sake of elements beyond the control of human beings, insurance is necessary for everyone in human society. The purpose of insurance as a method of transferring risk is to provide economic protection against the losses that may be incurred due to uncertain predicaments (difficulties) caused by disability, death of an earning family member or economic losses. Insurance helps in replacing risk thus insurance is not only an important aid to industry and commerce but also provides great benefits to the society as a whole. Nowadays, people know insurance service is very helpful to them, it is necessary to understand thoroughly why insurance is necessary, and how individuals make decision for the purchase of insurance policy.

The mechanism of insurance involves a contractual agreement in which the insurer agrees to provide financial protection against a specified set of risk for a price called the premium. The basic principles are, Insurable Interest which is the legal right to insure and it is a must for an insurance contract to have validity. This principle is also relevant to both life and general insurance. The principle of indemnity is to determine the extent of insurer's liability in the case of loss. The need for determining the liability is however, largely applicable to general insurance alone.

The principle of contribution is the corollary of the indemnity which is the principle exclusively applicable to general insurance. It tells how the liability is to be met when the insured has taken insurance with more than one insurer. The principle of subrogation is another corollary of the indemnity principle and again exclusively applicable to general insurance refers to the rights that an insurer has paid him an indemnity. The principle of Utmost Good Faith is the duty of insured and the insurer to disclose all relevant facts. This is relevant to both life and general insurance. The principle of Proximate Cause is the rule that determines how to proceed with processing a claim lodged by an insured, when a loss could apparently be traced to more than one event, some of which are not covered by the insurance contract.

2.3 The Role of Insurance

There are three pillars in doing business: “banking, shipping, and insurance”. The first requirement for a business to start is the idea. The second requirement is capital or money. Money can borrow (Oasis). Shipping is the most inexpensive mode of transport. Business cannot escape from shipping. The final pillar that is the merits of insurance is important to a society by means of economic security, emotional security, prevention and control (reduction) of loss. Insurance premium also becomes the source of investment income. Banks, businesses and even insurance companies need insurance service. Credit worthiness of a firm goes up where its properties have been insured. Primary function of insurance is the transferring the risk through risk transfer mechanism i.e. replacing uncertainty with certainty.

The business of insurance is related to the protection of the economic value assets. Every asset has a value. The asset would have been created through the efforts of the owner. The asset is valuable to the owner, because he expects to get some benefits from it. The benefit may be an income or something else. Every asset is expected to last for a certain period of time during which it will perform. After that, the benefit may not be available. There is a life- time for a machine in a factory or a cow or a motor car. None of them will last forever. The owner is aware of this and he

can so manage his affairs that by the end of that period or life-time, a substitute is made available. Thus, he makes sure that the value or income is not lost. However, the asset may get lost earlier. An accident or some other unfortunate event may destroy it or make it non-functional. In that case, the owner and those deriving benefits and the planned substitute would not have been ready. There is an adverse or unpleasant situation. Insurance is a mechanism that helps to reduce the effect of such adverse situations. (TYBBI INDIA, NAAC)

Insurance can also be a support of economic growth which vitally needs savings and investment. So that insurance can create savings and investment in several ways like acting as mobilize for saving, financial intermediary, promote of investment activity, stabilizer of financial market, risk manager, and an agent to allocate capital resources efficiently.

The insurance sector acts as one of the mobilizers of saving and financial intermediary. It also acts as a promoter of investment activities and the stability of financial markets and risk management much depends on insurance sector. It is critical to maintain financial market stable to promote economic development. Thus, it has a significant role in the economic development of a country, while economic development itself can facilitate the growth of the insurance sector.

2.4 Types of Insurance Policy

The insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims, which the insurer is legally required to pay. The insurance policy is a contract, which details the conditions and circumstances under which the insured will be financially compensated. The amount of money charged by the insurer to the insured for the coverage set forth in the insurance policy is called the premium. If the insured experiences a loss which is potentially covered by the insurance policy, the insured submits a claim to the insurer for processing by a claims adjuster. There are various kinds of insurance policies all over the world.

2.4.1 Life insurance

“Life insurance can be understood as the insurance contract, in which the life risk of an individual is covered. It is long term and it is a form of investment (Surbhi,

2017)." Life insurance is a contract between an insurance policy holder and an insurer, where the insurer promises to pay the benefit in exchange for a premium, upon the death of an insured person. In other words, Surbhi stated that "Insurable amount is paid, either on the occurrence of the event, or on maturity (Surbhi, 2017)." The policy holder typically pays a premium, either regularly or as one lump sum. Other expenses, such as funeral expenses, can also be included in the benefits. Life insurance includes group life insurance, endowment life insurance, snake bite insurance, health insurance, sportsman insurance and highway special insurance.

The life insurance provides risk cover, investment and tax planning for individuals. It is contract between the policy owner and the insurer, where the insurer agrees to pay the designated beneficiary a sum of money upon the occurrence of the insured individual's death or other event, such as terminal or critical illness. Then, "insurable interest must be present at the time of contract (Surbhi, 2017)". The term life insurance implies the type of insurance that covers the risk of life and provides a guarantee to compensate by paying the specified sum, either on the death of the insured or after the specified period. Policy value can be done for any value based on the premium the policy holder willing to pay. Life insurance place has a component in savings (Surbhi, 2017)".

2.4.2 General Insurance

"General insurance refers to the insurance, which are not covered under life insurance and includes various types of insurance (Surbhi, 2017)". General Insurance has five different types of insurance which are fire insurance, comprehensive motor insurance, marine cargo insurance, cash in safe insurance, cash in transit insurance and fidelity insurance.

General or non-life insurance is a contract of indemnity and that covers any risk apart from the risk of life. The insurance is to safeguard injuries and properties such as home, car and other valuable assets from fire, theft, flood, storm, accident, and earthquake and so on. "Claim payment is based on the loss is reimbursed, or liability incurred will be repaid on the occurrence of uncertain event. Then, claim payment must be present, both at the time of contract and at the time of loss. The amount payable under non-life insurance is confined to the actual loss suffered or liability uncured, irrespective of the policy amount (Surbhi, 2017)". They are short

term in nature, generally one year and so renewal is required every year. Then, premium should be paid in lump sum. General insurance has no such savings component. Health insurance and pension systems are fundamental of protecting individuals against the hazards of life. Furthermore, fire and liability insurance are essential for corporations to safeguard insurance projects and investment risks. Private insurance systems complement social security systems and add value by matching risk with price.

2.5 Importance of Insurance Sector

Insurance is of primary importance both in the national economy and international trade. Cash-flows of insurance premium generate funds for investment in the economy. Vice versa the development of insurance sector depends on the general level of economic development and prospects for the immediate future. Generally, there is a positive correlation between the economic development of a country and the amounts of the people spend on insurance.

Insurance contributes to economic growth of a society by partially providing stability to financial market. Insurance industries support financial institutions to be more developed and to reduce uncertainties by improving financial resources. Insurance has significant characteristics such as provides safety and security. Insurance provides financial support and reduces uncertainties in business and human life. It provides safety and security against particular events meaning that insurance provides cover totally or to some extent against sudden loss of life or properties. It generates financial resources. Insurance generates funds through premium collected and these funds are invested in government securities and stock. Funds used for purchasing securities and stocks are gainfully employed in industrial development of a country and generate more funds and utilization for economic growth. Such funds could support capital formation that creates more employment opportunities. Life insurance encourages savings, work not only a protection against risk and uncertainties, also an investment channel. Life insurance enables systematic and regular savings due to payment of regular premium. It develops saving habits by paying premium regularly and the insured gets a lump sum amount at maturity of the contract. Thus, life insurance encourages savings. Insurance can promote economic growth. It generates significant impact on the economy by mobilizing domestic savings. Insurance turn accumulated capital into productive investments. Insurance

enables to mitigate loss, financial stability and promotes trade and commerce activities those results into economic growth and development. Thus, insurance plays a crucial role in sustainable growth of an economy. A medical insurance considered essential in managing risk in health. Anyone can be a victim of critical illness unexpectedly and rising medical expense is of great concern for everyone. Medical insurance is one of insurance policies that cater for different types of health risks. The insured gets a medical support in case of illness which is eligible to medical insurance policy. Insurance facilitates spreading and sharing of risk from the insured to insurer. The basic principle of insurance is to spread risk among a large number of people. A large number of persons get insurance policies and pay premium to the insurer. Whenever a loss occurs, it is compensated out of funds of the insurer. Insurance also take role as a source of collecting funds. Large funds are collected by the way of premium. These funds are utilized in the industrial development of a country, which accelerates the economic growth. Employment opportunities are increased by such big investments. Thus, insurance has become an important source of capital information. (Chand, n.d.)

For all of the above reasons, insurance plays a crucial role in sustainable growth of an economy, it enables to mitigate loss and to keep financial stability, and it promotes trade and commercial activities. In addition, insurance regulations need to be strong enough to protect the insured, but those regulations should not be as prescriptive as to prevent insurance companies from supporting economic activity through the products they provide and the investments they make.

Healthy and strong insurance industry is required for economic growth, because economic activities of the insurance sector could produce large effect on other sectors in an economy, therefore, it requires effective and appropriate regulations.

As financial intermediaries with long investment horizons, insurance companies can contribute to the provision of long term finance and effective risk management. And, the sector can also improve the efficiency of other segments of the financial system, such as banking and bond markets, by enhancing the value collateral through property insurance and reducing losses at default through credit guarantees. Therefore, insurance sector can contribute to long-run growth. (Oldani, 2009)

One of the indicators of economic development is the share of participation of insurance premiums in the gross domestic product. Through the activities of the

insurance, which is part of the financial sector, the ratio of total gross insurance premiums versus gross domestic product (GDP) can be seen, expressed in percentages.

2.6 Review on Previous Studies

Studies relating this research are summarized in this sector. Although these studies are not identical with “ A Study of Public Awareness on Insurance Policy and Products in Yangon”. But these support for better understanding and idea development.

Alok Mittal and Akash Kumar (2003), in their study “An Exploratory Study of Factors Affecting Selection of Life Insurance Products” have attempted to identify the factors which are affecting the consumers in taking into consideration before selecting a life insurance product and determining the extent to which these factors are taken into consideration for choosing life insurance products. The study highlighted that consumers take into consideration factors like product attributes, customer delight, payment mode, product flexibility, risk coverage, grace period, professional advisor, and maturity period as important before making a decision on selection of a life insurance product but most important factors which are of vital importance was product attributes, and the least important was maturity period.

Rajni M. Shah (2007), Paper Presented at the C.D.Deshmukh Seminar on “Creating Consumer Awareness in Life Insurance” has analyzed as how to harness huge untapped market potential for life insurance to the benefit of vast rural and semi urban populace. The paper has quoted the famous line -“customer is business, business is people, people are customers” in context of consumer awareness. The paper emphasizes that Consumer awareness will provide a new frame of reference for value creation as also an opportunity for innovation and also have emphasized on campaigns to educate rural and semi urban masses on the need for security that protects their livelihood, security for produce and belongings and create feel-good feeling. In summary it states that a new phenomenon will emerge where Market dynamics will rule and unfold a stage through a process of evolution by co-creating unique value with customers will merge as expounded by Prof. C.K. Prahalad in his

later path-breaking Title “ The Future of Competition : Co-creating Unique Value with Customers”.

Simona Laura Dragos (2014), in the research article, “Life and non-life insurance demand: the different effects of influence factors in emerging countries from Europe and Asia”, Economic Research. Many previous researches have shown that Urbanization, incomes and their distributions, and the population degree of education are relevant factors for the development of insurance sector in any nation. This present paper tried to test the above said variables using econometrics of panel data on 17 emerging economies from Asia and Europe over a 10-year period from 2001 - 11. This research brought out findings that urbanization influenced significantly the life insurance demand in Asia countries so it pointed out that the main insurance opportunity will be in emerging Asia (especially China and India), where the urbanization rate is lower than it is in Central and Eastern Europe. It also highlighted that tertiary education as a proxy for risk aversion is not appropriate for the life insurance sector because of the complexity of wealth accumulation and distribution of wealth products so a reliable solution for this could be the high level of financial literacy.

C. Balaji (2015), in his paper-Customer awareness and satisfaction of life insurance policy holders with reference to Mayiladuthurai town tries to measure awareness among the urban and rural consumer about the insurance sector and also the various policies involving various premium rates. The study was conducted by examining around 100 sample respondents which revealed that 100% of respondents are aware of the life insurance policies; whereas 87% of the respondents came to know about insurance policies through agents. But it also came to light that Most of the respondents are aware of government insurance company LIC and in the private sector HDFC Standard Life insurance. Finally, the research concludes that the penetration level of insurance in India is only 2.3% when compared to 9-15% in the developed nations. So, there is a huge market for the Insurance products in the future in India.

Upadhyaya and Badlani (2011), in their research, attempt to identify the key success factors in the life insurance industry, in terms of customer satisfaction so as to survive intense competition and to increase the market share. The objectives of the study are

to identify the factors of customer satisfaction in retail life Insurance in India and to study the importance of technology in fulfilling Customer Satisfaction. Data was collected from 206 insurance customers of the ten public and private sector life insurance companies from the major cities of Rajasthan and Maharashtra state in India. The study concludes that despite high satisfaction levels, there remains a lot to be done by the management of the retail life Insurance companies to maximize their customer satisfaction and improve the quality of service. The satisfaction of the customer with the services of the Life Insurance Companies was found to be linked with the performance of the service

CHAPTER III

INSURANCE INDUSTRY IN MYANMAR

In this chapter, brief history of insurance and current situation of Myanmar insurance market is introduced and described. Background of insurance sector in Myanmar, insurance market in Myanmar, Type of insurance products in Myanmar, list of

insurance companies will be explained. This chapter presents the Historical Background of Insurance Sector in Myanmar, Structure of the Insurance Sector in Myanmar and Issues and Challenges of this sector. Then marketing mix of the private insurance companies in Myanmar will be presented.

3.1 Background of Insurance Sector in Myanmar

The insurance sector in Myanmar has been active for quite some time, perhaps surprisingly so for those not familiar with the market. Following the signing of the peace treaty of Yandabon in 1826, which ended First Anglo-Burmese War, many English insurance companies came to Burma to buy life insurance.

Before the Second World War, in 1940, The Burma National Insurance Company (BNIC) and the Burma Insurance Company, owned by local companies, entered the insurance market. After the state-owned Union Insurance Board, was established in 1952 by nationalizing a local insurance company, in 1952 State Insurance Corporation Law was established. BNIC was nationalized and the name changed to SIC and placed as a Division of the People's Bank of the Union of Burma to conduct life and general insurance business in the country.

Myanmar Insurance was founded in 1952 and started as a life insurer but later it underwrites both life and non-life insurance. It was a state-owned insurance company. But over next few decades, insurance habits and awareness almost disappeared due to the affect of nationalization process on the insurance sector. In 1959, under Insurance Corporation, all insurance businesses were nationalized, and state monopolized. Secondly, when in 1964 the socialist government prohibited formation of any private insurance companies in the future.

Under the Insurance Division of the People's Bank of the Union of Burma (PBUB) and Union Insurance Corporation (UIC), all insurance business activities were centralized from late 1959 to 1976. But in 1976, under the union bank of the law (1975), banking functions were decentralized, and all insurance business activities were named Myanmar Insurance Corporation (MIC). The Myanmar Insurance law was enacted in 1993; it empowered MIC to engage in all insurance business activities (reinsurance business, determination of various insurance rates, etc.).

The Insurance Business Supervisory Board launched a license application process for private insurance companies in November 2012 to diversify the provision of insurance services and to modernize the sector. However, it was 2013 that proved a landmark year in the history of the country's insurance sector, marking the commencement in operation of 12 domestic insurers. Private Citizens were allowed to establish insurance companies and apply for insurance license. IBSB conditionally approved 12 private insurance companies (3 lifes + 9 composite).

The Myanmar Insurance Law and The Insurance Business Law were established authorizing MIC to conduct 17 types of insurance business (1 life; 16 general) in Myanmar. Rules for Board of Directors and Management of MIC established. Insurance Business Supervisory Board (IBSB) established. IBSB was authorized to grant license to private companies to conduct insurance business and supervise them. However, public were not invited to apply for insurance license.

Myanmar's insurance industry began the transition from a centrally controlled operation to something closer to a free market in late 2013, when Insurance Business Regulatory board (IBRB) invited insurance license applications from private insurance companies as part of the financial sector reform to diversify the provision of insurance services and to modernize the insurance sector. Insurance companies, which focus their business on life insurance only, required a total paid-up capital of MMK 6 billion. The companies which will engage in the life- and non- life insurance business required a total paid-up capital of MMK 46 billion (MMK 6 billion for life Insurance and MMK 40 billion for non-life insurance). Those private Insurance companies have to deposit 60% of their capital at a state-owned bank and can withdraw this money after one year. Furthermore, 10% must be deposited into an interest bearing MEB account as a provision for emergency compensation, and the remaining 30% should be used to purchase treasury bonds. The companies have to pay a MMK 3 million license fee and a MMK 1 million annual fee. IBSB supervises all private insurance companies. Operations must start within one year after licensing. Private insurers are only permitted to underwrite business in ten of the forty-eight recognized insurance categories in the country. State owned MIC would retain its monopoly over the remaining thirty-eight categories. If Myanmar Insurance is counted as one, then the total number of insurances will be 13. But private companies are not allowed to have

their autonomy to create their own products and service and competition is stagnant and there is a definite lack of insurance products and services. Private insurance companies are allowed to sell 7 types of insurance products. Myanmar Insurance continued to operate as state-owned insurance company and offer all 17 insurance products. At the moment, local insurance can only work with local companies (with the exception of a few overseas insurance firms working with local business in the Special Economic Zone).

3.2 Insurance Market in Myanmar

Insurance sector is now an uphill battle in Myanmar. After being monopolistic and nationalized for about 60 years, most of Myanmar's citizens lack knowledge about insurance. People simply do not understand insurance. Therefore, companies are now trying to educate people about insurance and their benefit by advertising on TV, radio and making conferences. Building trust and educating people is the best way to attract consumers for Myanmar Insurance Market.

The insurance sector has now opened up; it currently has enormous potential for growth. According to the Ministry of Finance (MOF), only 0.5% of the Myanmar population (300,000 of the total population of 60 million people) were insured at the time the market opened up. There is a huge potential for growth in the insurance sector. Economists forecast that Myanmar's insurance penetration rate would reach 1.4% by 2030.

Therefore, the world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. The market is likely to prove lucrative for foreign insurers. In 2014, several multinational insurers established their representative offices and made themselves ideally positioned to enter the Myanmar insurance market as soon as it is open for foreign investment. This is the big challenge for local insurance companies because they have a lack of experienced insurance professionals, underdeveloped IT systems, product restrictions, lack of effective risk transfer mechanisms, lack of public awareness, absence of a robust regulatory framework, absence of reserving standards and guidelines, absence of insurance industry association, and absence of insurance statistics.

and lack of insurance products that meet people's need. Therefore, local insurance companies are trying to be ready to compete with foreign insurance companies and to penetrate speeding the insurance market of Myanmar.

3.3 Myanmar Insurance Business

There are three main types of life Insurance Business 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, the state-owned insurance company, was founded in 1952 and started as a life insurer but later it underwrites both life and no-life insurance. Its insurance products, currently underwrites are shown in Appendix I.

Myanmar Insurance is using agency system extensively and from time to time new agents are recruited and trained. Myanmar Insurance is a state-owned insurer and the law requires that all the foreign investor must buy insurance only from it. Its head office is situated at no.627/635, Merchant Street, Yangon, Myanmar and it has 38 branch offices at cities and town nationwide.

Myanmar Insurance has huge reserve fund (Life Fund Kyats 12183.025 MIO, General Fund Kyats 82858.965 MIO, and General Reserve Fund Kyats 6355.785 MIO) and has a substantial reinsurance cover. It has Marine Excess of Loss Reinsurance Treaty, Fire Excess of Loss Reinsurance Treaty and Motor Facultative Obligatory Treaty and Energy Treaty. These Reinsurance Treaties are placed with top-notch reinsurers. Furthermore, Myanmar Insurance is backed by the Government, which assumes all the liabilities of it under the Myanmar Insurance Law. So, Myanmar Insurance is the insurer who will never be liquidated. Myanmar Insurance is also reputed as the insurer who will never run away from a legitimate claim and it has paid total of kyats 2981.612 million in claims in the last financial year (2014-2015). Myanmar Insurance, like all other insurers, is using agency system extensively and from time to

time new agents are recruited and trained. Since Myanmar Insurance is a state-owned insurer, the laws require that all the foreign investors must buy insurances only from it.

3.3.2 Local Private Insurance Companies

The Insurance Business Regulatory Board has been phasing in the liberalization of insurance market to the private sector; therefore, Insurance Business Regulatory Board announced its selection of the following 12 private companies to be granted the license on 5th September 2012. Five private companies were first issued the license on 25th May 2013 and the other four private insurance companies were issued the license on 14th June 2013 and 3 private insurance companies on 6th October, 2014. Licensed private insurance companies, their affiliated companies and the products they are providing are shown in Appendix 2.

All private general/composite insurers sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. Non-life insurance products that are allowed to be sold by them are Fire and Allied Perils Insurance, Comprehensive Motor Insurance, Cash in Safe Insurance, Cash In Transit Insurance, Fidelity Insurance, Cargo Insurance and Travel Insurance for Express Ways.

Similar to general/composite insurance, all private life insurers also sell identical products, at the same prices, with the same benefits and policy wordings prescribed by the IBSB. The life insurance products that are allowed to be sold by the private insurers are Public Life Assurance, Group Life Assurance, Sport Men Life Assurance, Snake Bite Life Assurance and Health Insurance.

The insurers distribute their products through insurance agents only. This limits the reach of insurance services and increases transaction costs for the consumers. The private insurance companies are required to use agents trained by MIC. However, travel insurance can be distributed through highway express bus line offices, travel agencies and MFIs/NGOs also. This is the only exception to the regulatory restrictions against an organization acting as a distribution channel. Insurance agents in Myanmar do not collect premium; it is normally paid in cash or by cheque at the offices of the insurance company or at the branches of selected banks.

Because the insurance sector has now opened up, it currently has enormous potential for growth. According to the Ministry of Finance, only 0.5% of the Myanmar population (300,000 of the total population of 60 million people) was insured at the time the market opened up. MIC, which covers the country via its approximately 40 offices and around 1,500 staff members, now faces competition from the private sector.

3.3.3 Foreign Insurance Companies

The world's top insurance firms are setting their sights on Myanmar. The opportunities are many; a large population, economic reforms and natural resources could combine to create rising wealth among Myanmar's people. Its population of nearly 60 million makes it one of the largest in the region. Per capita gross domestic product is also over \$850, near the \$1,000 mark that insurers say is the threshold where individuals begin buying insurance. There is also money to be made by providing cover for the impending boom in construction projects. It is estimated that the country will eventually generate between Kyats 1.3 trillion (US\$1.35 billion) and Kyats 2.4 trillion (US\$2.5 billion) of insurance premium revenue every year. The market is likely to prove lucrative for foreign insurers.

The year 2014 saw several multinational insurers establishing their representative offices and making themselves ideally positioned to enter the Myanmar insurance market as soon as it is open to foreign investment. The companies that have representative offices in Myanmar at present are: 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, Maung Thai Life Assurance and consultancy services to both domestic insurers and the country's insurance regulator. This process will allow these multinationals to gain key strategic insights and contacts in the Myanmar insurance industry and grant them an early mover advantage that could be worth hundreds of millions in dollars once the market opens to foreign insurers.

In May 2015, the government permitted three Japanese insurance companies, Sampo Japan Nipponkoa, Mitsui Sumi Tomo Insurance Co and Tokio Marine & Nichido Fire Insurance Co to operate within the Thilawa Special Economic Zone.

CHAPTER IV

SURVEY ANALYSIS

In this chapter, it was started with the analysis on demographic factors and the assessment on the users of the Myanmar Insurance Industry. In this case, Sex, Age, Education, Occupation, Monthly income, and working experience are analyzed. Then, Insurance knowledge and Awareness are analyzed in the part II of the survey. In that part, there are totally 32 questions are included. All of the questions are closed ended questions to calculate more accurately.

4.1 Survey Profile

The study of public awareness on Insurance Policy and Products in Yangon is studies based on descriptive analysis. 300 respondents who are employees and self-employed personal from Yangon City. To achieve the objective of the study, primary data and the secondary data is used in this study. Personal interview method is applied to collect the executive view for the Industry from authorized persons of private insurance companies. Secondary data from Asia Development Bank Reports, US AID reports, Oxford Business Groups reports, and others are used as applicable.

4.2 Survey Design

In this study, analysis on Challenges of insurance Industry in Myanmar is carried out by exploring perception of the customers of the Insurance Industry in Myanmar. The required data were collected through the use of structurally prepared questionnaires instrument includes two sections. Section I is related with the questions to analysis on the demographic information of the respondents. Later part of questionnaire is concerned with the experiences and perception of the respondents on the Insurance Industry in Myanmar. Survey includes total 6 questions form demographic information and 32 questions which support to analysis on the experience and perception of the respondents. Most of the questions are closed ended

questions and some are simply asked for agreeable by answering “Yes” or “No”. After receiving the raw data from 300 respondents, descriptive statistical method has been used for the data analysis. The research data was evaluated by using Statistical Package for Social Sciences (SPSS) statistic 22 and excel (2007) programs for analysis, discussion and presentation of the results in this research. The respondents’ answer and collected data were input onto an Excel spreadsheet for analysis.

4.3 Survey Results

Totally 300 respondents are analyzed and selected by using Cochran’s Formula based on the confidence level of 90% and precision of (+ or -) 5%. Among them, totally 286 respondents are qualified for the research. The first part of the survey includes the demographic characteristics of respondents and the second part of the survey concerning the knowledge and awareness on the insurance policy and products.

4.3.1 Analysis of Demographic Characteristics of respondents

The respondents’ personal information is studied with the demographic features. The demographic characteristics include gender, age, education, occupation, Income, and experience. The results of analysis on demographic characteristics of respondents are shown in Table (4.1).

Table (4.1) Demographic Profile of Respondents

Gender	Number of Respondents	Percent
Male	90	31.5
Female	196	68.5
Total	286	100.0
Age		
18-25	27	9.4

26-33	110	38.5
34-41	80	28.0
42-49	55	19.2
Over 49	14	4.9
Total	286	100.0
Education Level		
High School	12	4.2
Graduate	178	62.2
Post Graduate	96	33.6
Total	286	100.0
Occupation		
Government or Public Sector Employee	55	19.2
Private Financial sector employee	92	32.2
Private other than financial sector employee	92	32.2
Self employed	47	16.4
Total	286	100.0
Income Level		
Over 100,000/-	77	26.9
Over 500,000/-	84	29.4
Over 1 Million	54	18.9
Over 2 Million	43	15.0
Over 3 Million	28	9.8

Total	286	100.0
Work Experience		
Below 1 year	47	16.4
Over 1 year	112	39.2
Over 2 year	40	14.0
Over 3 year	38	13.3
Over 4 year	34	11.9
Over 5 year	15	5.2
Total	286	100.0

Source: Survey Data, 2019

Most of respondents are female and it covers 68.5% of the whole sample, followed by male which it covers 31.5%. It shows that most of the respondents are female.

All the respondents were requested to answer their age. In order to get the better information, it is classified into five groups as 18-25 years, 26-33 years, 40-41 years, 42-49 years, and over 49 years. The most respondents are 26-33 years old which results 38.5% of the respondents. Second most is the ages between 34 years and 41 years with the result is 28%. Thirdly, the ages between 42 years and 49 years got 19.2% of the respondents. Prominently, over 49 years old has only 14 respondents and 4.9%. The results show that the respondents are mostly 26-33 and they are beyond teenagers and most are with own career.

The education levels of the respondents are analyzed in the study. The survey questionnaire is organized with five level of education and these are High school, graduated, Post graduated PhD, and others. The results of the analysis on the education level of the respondents show that graduated level is the peak and it has 62.2% and secondly, the post graduated results are 33.6% and it is secondly chosen. Then, the results show that the respondents are educated and most or all are graduated.

The occupations of respondents are studied with closed question. In this case, the target population has to choose the options containing Students, Government or Public sector employee, Private Financial sector employee, Private other than financial sector employee, Self-employed. According to the result, most of the respondents are private financial sector employee and it has 32%. Secondly, private other than financial sector employee has 32%. Thirdly, Government or public sector employee has 19.2%. The result for the self-employed is 16.4%. The results of the questionnaire show that most of the respondents are private financial sector employees and private other than financial sector employee. So, it can be assumed that most of the respondents are from the private sector rather than government or the self-employed.

The Income levels of respondents are studied with the closed ended question. The options given are Over 100,000/- MMK, Over 500,000/- MMK, Over 1 Million MMK, Over 2 Million MMK, Over 3 Million MMK. Then, totally 5 options are given. Most of the respondents have an income over 500,000 MMK and it has 29.4% of total respondents. Then, over 100,000 MMK income has 26.9% in total respondents. Lastly, the results show that over 3 million MMK income has least percentage among total respondents and its percentage is 9.8%. Income levels of the respondents are included in the questionnaire as it may affect the interest on the Insurance industry. In this case, most of the respondents got the income over 500,000 MMK and secondly the respondents got over 100,000 MMK.

The experiences of the respondents are analyzed based on the 6 options given survey question. These options are Below 1 year, Over 1 year, Over 2 years, Over 3 years, Over 4 years, and Over 5 years. The results show that most of the respondents have over 1-year experience. It results peak among the rest of the option. The option over 5 years has least percentage among the choices. Only 5.2% among the total respondents resulted in option over 5 years. The other options are not significantly different each other and these results as 13.3%, 14% and 16%. The results show that most of the respondents have over 1 year experienced in their respective jobs. The rest of the options are not too noticeable but similar the results.

4.3.2 The Analysis on the Awareness of Insurance and risks

The review on the risk should be done before making the decision to buy insurance. By doing so, the impact on the life can be reduced. Then, the awareness of the respondents on the risk are analyzed and included in the survey.

4.3.2.1 Biggest Risk for Life, Business or Income

The options given to analysis on biggest risk for life, business, or income are 1) Fire, 2) Theft, 3) Competition, 4) Cost of doing business, 5) Job security/ Occupation, 6) Health. The results are shown in Table (4.7) and Figure (4.7).

Table (4.2) Risk for Life, Business or Income of Respondents

Particular	Number of Respondents	Percent
Fire	24	8.4
Theft	19	6.6
Competition	18	6.3
Cost of doing business	11	3.8
Job security/Occupation	89	31.1
Health	125	43.7
Total	286	100.0

Source: Survey Data, 2019

The results show that the respondents feel that health is the biggest risk and it has the highest percentage among the options. It resulted 43.7%. Secondly, the respondents think that job security/ Occupation is secondly highest and it resulted 31% among the options. The rest of the options got the results which are not prominently differing from each other. Among the options, most of the respondents feel and try to cover the risk concerning Health and Job security most as they feel that these are very important in life and they may be needed more insurance in Myanmar.

4.3.2.2 Analysis on How Risks Mentioned above are Managed

How the respondents are managing the risks mention above question is also analyzed. In this case, the options such as 1) Saving at the Bank 2) Own saving 3) Insurance and 4) Microfinance firms are given. The results for this analysis are shown in below

Table (4.3) Analysis on Risk Management

Particular	Number of Respondents	Percent
Saving at the Bank	157	54.9
Own saving	59	20.6
Insurance	55	19.2
Microfinance firms	15	5.2
Total	286	100.0

Source: Survey Data, 2019

According the results shown in Table (4.3), most the respondents manage their risk by saving at the bank. In this case, it prominently got the highest percentage among the options, 54.9%. Some respondents prefer own saving and insurance. These resulted as 20.6% and 19.2%. The smallest amount of respondents; only 15 among 286 respondents, prefer microfinance. The results show that most of the respondents save their money in the bank rather than own saving, insurance, microfinance firms. In this case, Myanmar people lack in experienced in Insurance and microfinance firms. Also, they feel as saving at the Bank is safe and they can gain certain amount of interest for their saving.

4.3.2.3 Analysis on Knowing the Meaning of Insurance

The questionnaire includes to check whether the respondent knowing the meaning of insurance. In this question, five-point Likert scale model. (Ranking from as 1 = Do not know at all. 2 = Quite not know, 3= Neutral, 4= know something, 5= Know very well).

Table (4.4) Knowing the Meaning of Insurance

	Number of Respondents	Percent
Do not know at all	87	30.4
Quite not know	136	47.6
Neutral	11	3.8
Know something	52	18.2
Total	286	100.0

Source: Survey Data, 2019

Table (4.5) Descriptive Analysis on Knowing the Meaning of Insurance

	N	Minimum	Maximum	Mean	Std. Deviation
3. meaning of insurance	286	1	4	2.10	1.032
Valid N (listwise)	286				

Source: Survey Data, 2019

Table (4.4) and Table (4.5) show the results for the analysis on whether the respondent knowing the meaning of insurance. The question used five-point Likert scale model and the results show that most of the respondents quite not know the meaning of insurance. The result is 47.6%. Secondly, the respondents do not know at

all resulted 87%. Significantly, the respondents answered Know very well is 0% in the result. According to the descriptive analysis at Table (4.10), the results show that mean value of the analysis is 2.1 so it unquestionably that the most of the respondents do not know the meaning of the insurance. The knowledge on the Insurance industry is being tested in the questionnaire then the respondents asked whether they know the insurance industry very well or not. In this case, it is found out that most of the respondents quite not know the insurance industry.

4.3.2.4 Understanding of how Insurance system works

The questionnaire includes to check whether the respondent knowing the meaning of insurance. In this question, five-point Likert scale model. (Ranking from as 1 = Not understand at all. 2 = Not Quite Understand, 3= Don't know, 4= Understand something, 5= Well understood).

Table (4.6) Understanding of How Insurance System Works

	Number of Respondents	Percent
Not understand at all.	40	14.0
Not Quite Understand	103	36.0
Don't know	112	39.2
Understand something	31	10.8
Total	286	100.0

Source: Survey Data, 2019

Table (4.7) Descriptive Analysis on Understanding of How Insurance System Works

	N	Minimum	Maximum	Mean	Std. Deviation

4. Insurance system	286	1	4	2.47	.865
Valid N (list wise)	286				

Source: Survey Data, 2019

Table (4.6) and Table (4.7) show the result on understanding of the respondents on how Insurance system works. The results show that mostly, the respondents don't know how insurance system works. It resulted 39.2%. Then, second most the respondents said that they are not quite understand and the survey resulted 36%. The result for "Well understood" is 0%. The system of insurance industry is a little bit complex then the respondents are generally asked whether they have knowledge on the system of the insurance. In this case, the results show that most of the respondents not quite understand and don't know the insurance industry working system.

4.3.3 The Analysis on the Awareness of Insurance Company in Myanmar

In the insurance industry, both public and private insurance company are available in Myanmar. In this case, the respondents' knowledge on insurance companies in Myanmar is also studied and analyzed.

4.3.3.1 Knowing Public and Private Insurance Companies doing Business in Myanmar

The analysis on knowing there are both public and private insurance companies doing business in Myanmar is done by the Yes/ No question in questionnaire.

Table (4.8) Knowing Public and Private Insurance Companies doing Business in Myanmar

	Number of Respondents	Percent
Yes	226	79.0
No	60	21.0

Total	286	100.0
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Source: Survey Data, 2019

Table (4.8) shows the result for the analysis on knowing there are both public and private insurance companies doing business in Myanmar. Most of the respondents said that they know both public and private insurance companies doing business in Myanmar. The results show that 79% of the respondents said yes for the question. In Myanmar, Insurance sector can be seen in both Private and Public sector then checking the knowledge of the respondents about that information is required and included in the questionnaire. The results show that most of the respondents know that the information.

4.3.3.2 Knowing Local Private Insurance Companies

The questionnaire includes to check whether the respondent knowing the meaning of insurance. In this question, five-point Likert scale model. (Ranking from as 1 = Do not know at all. 2 = Quite not know, 3= Neutral, 4= know something, 5= Know very well).

Table (4.9) Knowing Local Private Insurance Companies

	Number of Respondents	Percent
Do not know at all	50	17.5
Quite not know	101	35.3
Neutral	132	46.2
know something	3	1.0
Total	286	100.0

Source: Survey Data, 2019

Table (4.10) Descriptive Analysis on Knowing Local Private Insurance Companies

	N	Minimum	Maximum	Mean	Std. Deviation
knowing local private insurance	286	1	4	2.31	.765
Valid N (list wise)	286				

Source: Survey Data, 2019

Table (4.9) and Table (4.10) show the result the analysis on knowing the quantity of local private insurance companies have license to do business. The question used five-point Likert scale model and the results show that most of the respondents feel neutral for the questions. The result is 46.2%. Secondly, the respondents quite not know and resulted 35.3%. Significantly, the respondents answered know something is least percentage and it resulted as 1% . 0% result for the answer “Know very well”. According to the descriptive analysis at Table (4.15), the results show that mean value of the analysis is 2.3 so it unarguably that the most of the respondents Quite not know the quantity of local private insurance companies have license to do business.

4.3.3.3 The Top Insurance Companies

Totally 12 options such as 1) First National Insurance Public Co., Ltd. 2) I.K.B.Z Insurance (Public) Co., Ltd. 3) Young Insurance Global Co., Ltd. 4) Grand Guardian Insurance Public Co., Ltd. 5) Global World Insurance Co., Ltd. 6) Excellent Fortune Insurance Co., Ltd. 7) Aung Thitsar Oo Insurance Co., Ltd. 8) Pillar of Truth Insurance Co., Ltd. 9) AYA Myanmar Insurance Co., Ltd. 10) Capital Life Insurance Co., Ltd. 11) Citizen Business Insurance Public Ltd. 12) Aung Myint Moh Min Insurance Co., Ltd. are given. The results for the analysis on the top insurance companies are shown in Table (4.16) and Figure (4.13).

Table (4.11) Top Insurance Companies

	Number of Respondents	Percent
First National Insurance Public Co., Ltd	13	4.5
I.K.B.Z Insurance (Public) Co., Ltd	107	37.4
Grand Guardian Insurance Public Co., Ltd	91	31.8
Global World Insurance Co., Ltd	8	2.8
AYA Myanmar Insurance Co., Ltd.	67	23.4
Total	286	100.0

Source: Survey Data, 2019

The results for the analysis on the top insurance companies are shown in Table (4.11). Although among 12 companies name given in the questionnaire, only five options are chosen by respondents. Among them, IKBZ insurance (Public) Co. Ltd got the highest percentage and it resulted as 37.4% among the total respondents. Secondly, Grand Guardian Insurance Public Co. Ltd got the high percentage about 31.8. These two companies got the highest rated among the total 12 companies. Next, two companies are AYA Myanmar Insurance Co. Ltd, First National Insurance Public Co. Ltd and Global World Insurance Co. Ltd got the certain amount of percentage than the rest of the companies. In Myanmar, insurance industry is very recently introduced and there not too much amount of companies is available. Among them, analysis on the top insurance companies is included in the survey.

4.3.3.4 The Effective Media Channel for Top Insurance Companies

This analysis is done to study the best media channel that the respondents got the information about the companies mention in the above question. In this case, the media such as Newspaper, Online social media, Insurance newsletter, Radio, Television Ads are given as the option for this question. The results show in the Table (4.12).

Table (4.12) The Effective Media Channel for Top Insurance Companies

	Number of Respondents	Percent
Newspaper,	39	13.6
Online social media	129	45.1
Insurance newsletter	20	7.0
Radio	35	12.2
Television Ads	63	22.0
Total	286	100.0

Source: Survey Data, 2019

The results for the analysis on the media channel that the companies are heard are shown in Table (4.12). According to the results, Online social media is the best channel and most of the respondents heard these companies from that. The result is peak and prominent among the other types of media. It resulted 45.1%. Next, Television Ads is second most percentage and the result is 22%. The best media that increase the awareness of the insurance industry is also analyzed in the questionnaire. In this case, as the other industry, online social media is very prominent and peak in the results. Then, it can be assumed that Myanmar is now also influenced by the social media and the best way to improve the awareness of the insurance industry is the online social media.

4.3.4 The Analysis on the Awareness on Insurance Products

The two types of Insurance such as General and Life insurance is needed to be known if the respondents' have the knowledge on the insurance. Life insurance is a contract that offers financial compensation in case of death or disability. A general insurance is a contract that offers financial compensation on any loss other than death. It insures everything apart from life.

4.3.4.1 Knowledge of General Insurance and Life Insurance are Separated

The analysis on the knowing that General Insurance and Life Insurance are separated according to the nature of Insurance products in Myanmar is done by the Yes/ No question in the survey questions.

Table (4.13) Knowledge of General Insurance and Life Insurance are Separated

	Number of Respondents	Percent
Yes	124	43.4
No	162	56.6
Total	286	100.0

Source: Survey Data, 2019

The result for the analysis on the knowing that General Insurance and Life Insurance are separated according to the nature of Insurance products in Myanmar is shown in Table (4.13). According to the survey, the results show that most of the respondents said No and it has 56.6%. Inversely, the percentage for answering Yes is 43.4%.

4.3.4.2 Knowledge about General Insurance

The analysis on the knowledge about General Insurance is done by the Yes/ No question in the survey questions. In this case, the results are shown in Table (4.14).

Table (4.14) Knowledge about General Insurance

	Number of Respondents	Percent
Yes	246	86.0
No	40	14.0
Total	286	100.0

Source: Survey Data, 2019

According to the results, the respondents have the knowledge about General Insurance. The percentage for Yes answer is 86% in the results. Then, the result for

No is only 14%. The awareness on the general insurance is also analyzed in the questionnaire and the respondents mostly said yes and it can be assumed that they've got the some knowledge of the general insurance.

4.3.4.3 Knowledge about General Insurance Products

The questionnaire for the analysis on the knowledge about General Insurance products given the options such as 1) Fire Insurance 2) Comprehensive Motor Insurance 3) Marine Insurance, 4) Fidelity Insurance, and 5) Travel Insurance. The results for the analysis on the knowledge about General Insurance products are shown in Table (4.15).

Table (4.15) Knowledge about General Insurance Products

	Number of Respondents	Percent
Fire Insurance	73	25.5
Comprehensive Motor Insurance	99	34.6
Marine Insurance	30	10.5
Fidelity Insurance	22	7.7
Travel Insurance	62	21.7
Total	286	100.0

Source: Survey Data, 2019

The results of the analysis on the knowledge about General Insurance products are shown in Table (4.15). Among the given options, Comprehensive Motore Insurance got the highest percentage 34.6%. Secondly, Fire Insurance got the 25.5%. Thirdly, Travel Insurance got the 21.7% among the options. Fidelity Insurance got the least percentage among the options. In order to get the details of the awareness on the general insurance products by the respondents, they are analyzed by given the options to answer. In this case, the respondents said they mostly know the motor insurance and fire insurance. It can be assumed that the awareness on motor and fire is partially successful and the rest products still need to improve the awareness.

4.3.4.4 Knowledge about Life Insurance

The analysis on the knowledge about Life Insurance is done by the Yes/ No question in the survey questions. In this case, the results are shown in Table (4.21) and Figure (4.16).

Table (4.16) Knowledge about Life Insurance

	Number of Respondents	Percent
Yes	89	31.1
No	197	68.9
Total	286	100.0

Source: Survey Data, 2019

According to the results, the respondents have the knowledge about Life Insurance. The percentage for No answer is 68% in the results. Then, the result for Yes is only 31%. Life insurance is very important and very popular among the other countries, then the awareness on it is analyzed and the results show that most of the respondents said No then it can be assumed that the awareness of the life insurance still need to improve.

4.3.4.5 The analysis on the knowledge about Life Insurance products

The questionnaire for the analysis on the knowledge about General Insurance products given the options such as 1) Public Life 2) Short Term Endowment 3) Group Life 4) Sportsman Life and 5) Snake Bite. The results for the analysis on the knowledge about General Insurance products are shown in Table (4.17).

Table (4.17) Knowledge about Life Insurance Products

	Number of Respondents	Percent
Public Life	73	25.5
Short Term Endowment	62	21.7

Group Life	114	39.9
Sportsman Life	12	4.2
Snake Bite	25	8.7
Total	286	100.0

Source: Survey Data, 2019

Among the life insurance products, Group life products got the highest percentage as 39.9%. Then, Public Life got the second high percentage 25.5%. Thirdly, Short Term Endowment got 21.7%. The rest, Sportsman life and snake bite got the lower percentage as 4.2% and 8.2%. There are different life insurance products are available and among them the respondents just aware the group life insurance. Then, it can be assumed that group life insurance have been made certain advertisement. Conversely, the rest of the life insurance products still need to introduce among people especially sportsman life insurance is very little among in the total respondents.

4.3.5 Analysis on the Purchasing and Sources to Purchase the Insurance Products.

Analysis on the purchasing and sources to purchase of the insurance is also analyzed. In this case, the sources of the insurance products, sources of purchasing the insurance products and easiness to purchase the insurance products are studied.

4.3.5.1 Sources of the Insurance Products

This analysis is done to study on the sources to know the insurance products. In this case, the media such as Newspaper, Online social media, Insurance newsletter, Radio, Television Ads are given as the option for this question. The results show in the Table (4.18).

Table (4.18) Sources to Know the Insurance Products

	Number of Respondents	Percent
Newspaper	39	13.6
Online social media	129	45.1
Insurance newsletter	20	7.0
Radio	35	12.2
Television Ads	63	22.0
Total	286	100.0

Source: Survey Data, 2019

The results for the analysis on the sources to know the insurance products are shown in Table (4.18). According to the results, Online social media is the best channel and most of the respondents heard these companies from that. The result is peak and prominent among the other types of media. It resulted 45.1%. Next, Television Ads is second most percentage and the result is 22%. The sources that the respondents know the insurance products is also analyzed in the questionnaire. In this case, the results show that online social media is the best source to know the insurance products. Furthermore, television Ads can be the second choice of media to increase the awareness of the insurance products.

4.3.5.2 Sources to Purchase Insurance Products

The respondents have to choose the given options such as Myanmar Insurance, Private Insurance Companies, Insurance Agents, and Foreign Insurance Companies for the analysis on the sources to purchase the insurance products. In this case, the results are shown in Table (4.19).

Table (4.19) Sources to Purchase Insurance Products

	Number of Respondents	Percent
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Myanmar Insurance	78	27.3
Private Insurance Companies	115	40.2
Insurance Agents	54	18.9
Foreign Insurance Companies	39	13.6
Total	286	100.0

Source: Survey Data, 2019

When the analysis on the sources to purchase the insurance products is studied, the results show that the respondents mostly purchased from private insurance companies and it has the highest percentage 40.2%. Secondly, the respondents bought from Myanmar Insurance and it was the 27.3% among the total respondents. The rest two options, Insurance agents and Foreign Insurance Companies had 18.9% and 13.6%. When the respondents are questioned concerning the sources to purchase the insurance products, the results show that most of the respondents prefer private insurance companies to buy the insurance products. Also, Myanmar insurance will be the second best choice of the respondents.

4.3.5.3 Easiness to Purchase the Insurance Products

When the respondents bought the insurance products, the easiness of the purchasing the insurance products is also important. Then, the results are shown in Table (4.20).

Table (4.20) Easiness to Purchase the Insurance Products

	Number of Respondents	Percent
Yes	101	35.3
No	185	64.7
Total	286	100.0

Source: Survey Data, 2019

The results for the analysis on the easiness to purchase the insurance products show that most of the respondents feel not easy to purchase the insurance products as

the results show that the answer of “No” is 64.7% and answer of “Yes” is 35.3%. Easiness of the purchasing of the insurance products is very important in the insurance industry then it is included in the questionnaire. In this case, most of the respondents said that the purchasing of the insurance products is not easy for them. So it will be the one of the challenges of improvement of the insurance industry.

4.3.6 Analysis on the knowledge of Health and life insurance

Health and Life insurance are very important for human beings then the knowledge on these insurance products by the respondents are analyzed. To study, the knowledge on benefits of health insurance, life insurance are studied in the survey.

4.3.6.1 Benefits of Health Insurance.

The questionnaire includes the checking of whether the respondents understand the benefits of Health insurance. In this question, five-point Likert scale model. (Ranking from as 1 = Do not know at all. 2 = Quite not know, 3= Neutral, 4= know something, 5= Know very well) and the results show in Table (4.21) and Table (4.22).

Table (4.21) Benefits of Health Insurance

	Number of Respondents	Percent
Do not know at all	80	28.0
Quite not know	88	30.8
Neutral	69	24.1
Know something	49	17.1
Total	286	100.0

Source: Survey Data, 2019

Table (4.22) Descriptive Analysis on the Benefits of Health Insurance

	N	Minimum	Maximum	Mean	Std. Deviation

17. benefits of Health insurance	286	1	4	2.30	1.057
Valid N (list wise)	286				

Source: Survey Data, 2019

Table (4.21) and Table (4.22) show the result the analysis on knowing the benefits of Health Insurance. The question used five-point Likert scale model and the results show that most of the respondents feel Quite not know for the questions. The result is 30.8%. Secondly, the respondents do not know at all about the benefits of Health Insurance and resulted 28%. Significantly, the respondents answered know very well is least percentage and it resulted as 0%. According to the descriptive analysis at Table (4.22), the results show that mean value of the analysis is 2.3 so it unarguably that the most of the respondents Quite not know the benefits of Health Insurance. Health insurance is an insurance which covers the whole or a part of the risk of a person incurring medical expenses. Then, it is important for all human being and it is necessary. Then, the awareness of the benefits on health insurance is being analyzed in the questionnaire. In this case, most of the respondents answered as “Quite Not know” in the survey. Then, the results show that the awareness on the health insurance still need to improve and it needs more advertisements or educating.

4.3.6.2 Benefits of Life Insurance

The questionnaire includes the checking of whether the respondents understand the benefits of Life insurance. In this question, five-point Likert scale model. (Ranking from as 1 = Do not know at all. 2 = Quite not know, 3= Neutral, 4= know something, 5= Know very well) and the results show in Table (4.23) and Table (4.24).

Table (4.23) Benefits of Life Insurance

	Number of Respondents	Percent
Do not know at all	81	28.3
Quite not know	94	32.9

Neutral	62	21.7
Know something	49	17.1
Total	286	100.0

Source: Survey Data, 2019

Table (4.24) Descriptive Analysis on the Benefits of Life Insurance

	N	Minimum	Maximum	Mean	Std. Deviation
18. Benefits of life insurance	286	1	4	2.28	1.055
Valid N (list wise)	286				

Source: Survey Data, 2019

Table (4.23) and Table (4.24) show the result the analysis on knowing the benefits of Health Insurance. The question used five-point Likert scale model and the results show that most of the respondents feel Quite not know for the questions. The result is 32.9%. Secondly, the respondents do not know at all about the benefits of Health Insurance and resulted 28.3%. Significantly, the respondents answered know very well is least percentage and it resulted as 0%. According to the descriptive analysis at Table (4.24), the results show that mean value of the analysis is 2.28 so it unarguably that most of the respondents Quite not know the benefits of Health Insurance. Life insurance makes financial protection to surviving dependents after the death of an insured. It mostly found in the seamen, marriage, the birth or adoption of a child and some major purchase. But most of the respondents quite not know details about the life insurance as well. Then, it is found out that the results show that the awareness of the life insurance still needs to improve as well.

4.3.7 Analysis on Customer Behaviors on life and health insurance

By knowing the behaviors of the customers support the improvement of the health and life insurance products. In this case, the sources to promote the insurance, attraction on people to buy life and health insurance products, most attractive reason for people to buy life and health insurance are studied and included.

4.3.7.1 Sources to Promote the Insurance

This analysis is done to study on sources to promote the insurance. In this case, the media such as Newspaper, online social media, Insurance newsletter, Radio, Television Ads are given as the option for this question. The results show in the Table (4.25).

Table (4.25) Sources to Promote the Insurance

	Number of Respondents	Percent
Newspaper	41	14.3
Online social media	133	46.5
Insurance newsletter	19	6.6
Radio	33	11.5
Television Ads	60	21.0
Total	286	100.0

Source: Survey Data, 2019

The results for the analysis on the sources to promote the insurance are shown in Table (4.25). According to the results, online social media is the best channel and most of the respondents heard these companies from that. The result is peak and prominent among the other types of media. It resulted 46.5%. Next, Television Ads is second most percentage and the result is 21%. In order to improve the insurance industry, the media is very important to increase the awareness of people. In this case, the sources to promote the insurance are analyzed in the questionnaire. The results show that online social media will be the best media to promote the insurance. The results for that media got the peak result than the other types of media.

4.3.7.2 Attraction on People to Buy Life and Health Insurance Products

In order to check the attraction to buy current Life and Health Insurance products, analyzed is included in the questionnaire. This question is Yes/ No question and if the respondents answer “Yes”, move to question No.(21) and if the respondents answer “No”, question No.(21) is skipped to answer.

Table (4.26) Attraction on People to Buy Life and Health Insurance Products

	Number of Respondents	Percent
Yes	36	12.6
No	250	87.4
Total	286	100.0

Source: Survey Data, 2019

The Table (4.26) shows the results of the analysis on attraction on people to buy current life and health insurance products. In this case, the answer “No” can be seen prominently and it resulted 87.4%. Only 12.6% answered “Yes”. Whether people have a desire to buy life and health insurance is also analyzed in the survey. In this case, the answers are mostly “No”. In this case, it can be assumed that they may really don’t want to buy these insurance products or they may not know about these products. The results got in above questions shows that they do not know the products then the result for this question may be assumed that that is why they said “No” to buy the products. So, if the awareness of the respondents is improved, the willingness to buy the insurance products will be increased.

4.3.7.3 Most Attractive Reason for People to buy Life and Health Insurance Products

The attraction to buy current Life and Health Insurance products are also analyzed at the questionnaire question No (20). If the respondents answer “Yes”, move to question No.(21) and if the respondents answer “No”, question No.(21) is skipped to answer. So, only the respondents who answered “Yes” have to answer this question (21). So, according to the results, among the 286 total respondents, only 36 respondents have to answer this question (21) as they answered “Yes” in question (20).

Table (4.27) Most Attractive Reason for People to Buy Life and Health Insurance Products

Reason to Attract	Number of Respondents	Percent
More affordable Price	8	2.8

Better Coverage	10	3.5
Provide benefits more than Coverage	18	6.3
Total	36	12.6

Source: Survey Data, 2019

Among the total respondents, the respondents who answered “Yes” in question (20) have to answer this question. Then, according to the results got in question (20), 36 respondents have to answer this question. Among them, most of the respondents think that providing benefits more than coverage is the most attractive reason for people to buy current life and health insurance products as it has the highest percentage. Secondly, the respondents think that better coverage is the second highest reason of attraction to buy these insurance products. It can be assumed that the respondents prefer more benefits for the insurance rather than affordable price or better coverage.

4.3.8 Analysis on Customer Satisfaction on Insurance companies

The study on customer satisfaction on insurance companies is also included in the survey. In this case, the experience of the respondents on insurance companies, their visiting to insurance companies, agents, workshops, events, other sources to know about insurance, their satisfaction on getting information and services are analyzed.

4.3.8.1 Had or heard service experiences about Insurance companies

The analysis on whether the respondents had or heard service experiences about Insurance companies is done with the questionnaire. The question is Yes/ No question and the results are shown in Table (4.28).

Table (4.28) Had or Heard Service Experiences about Insurance Companies

	Number of Respondents	Percent
Yes	177	61.9
No	109	38.1
Total	286	100.0

Source: Survey Data, 2019

Most of the respondents answered that they had or heard service experience about insurance companies. The results show that 61.9% of the respondents answered “Yes” and 38.1% answered “No”. The knowledge and experiences of the respondents concerning insurance companies is also analyzed in the survey. In this case, most of the respondents said they’ve got the services from the insurance companies. But the answer for “Yes” is 61.9 percent among the total respondents so it can be said that only nearly half of the respondents have the experiences concerning insurances companies.

4.3.8.2 Visiting Insurance Companies, Insurance Agents, Workshops, Events, some other Sources for knowledge about Insurance

The analysis of whether the respondents have been to Insurance companies, Insurance agents, Workshops, Events, some other sources to know about Insurance is also included in the questionnaire for study. This question is Yes/ No question and the results are shown in Table (4.29).

Table (4.29) Visiting Insurance Companies, Insurance Agents, Workshops, Events, some other Sources for knowledge about Insurance

	Number of Respondents	Percent
Yes	177	61.9
No	109	38.1
Total	286	100.0

Source: Survey Data, 2019

According to the results shown in Table (4.28), most of the respondents have been to Insurance companies, Insurance agents, workshops, events, and some other sources to know about insurance. Visiting to insurance companies, insurance agents, workshops, events or some other sources to know about insurance is important in increasing the awareness of the insurance industry. In this case, the respondents’ answers show that positively they visited to these places. Then, it can be assumed that arranging the workshops, events, and some other activities may also support to increase the awareness of the insurance industry as well.

4.3.8.3 Satisfaction on getting information

Getting information is very important in every industry then the questionnaire includes the analysis of the satisfaction on getting information. This question is five-point Likert scale model. (Ranking from as 1 = Unsatisfied. 2 = Quite unsatisfied, 3= Do not know, 4= Quite satisfied, 5= Satisfied) then the results are shown in Table (4.30).

Table (4.30) Satisfaction on Getting Information

	Number of Respondents	Percent
Unsatisfied	80	28.0
Quite unsatisfied	90	31.5
Do not know	63	22.0
Quite satisfied	53	18.5
Total	286	100.0

Source: Survey Data, 2019

Table (4.30) shows the results for the satisfaction of the respondents on getting information concerning insurance products. In this case, most of the respondents answered that they are quite unsatisfied with getting information. The result is highest percentage among the options and it is 31.5%. Secondly, the respondents unsatisfied

and the result is 28%. Then, the result for do not know is 22% and the percentage for quite satisfied is 18.5%. The result for satisfied is 0%. The information that the respondents gained from the insurance industry is also analyzed in the survey. In this case, the results show that they are quite not satisfied. Then, it shows that the insurance industry still needs to improve in information sharing and communication with the clients.

4.3.8.4 Satisfaction on Service

In order to analyze the satisfaction of the respondents on service, the questionnaire is based on the question with five-point Likert scale model. (Ranking from as 1 = Unsatisfied, 2 = Quite unsatisfied, 3 = Do not know, 4 = Quite satisfied, 5 = Satisfied) then the results are shown in Table (4.31).

Table (4.31) Satisfaction on Service

	Number of Respondents	Percent
Unsatisfied	54	18.9
Quite unsatisfied	73	25.5
Do not know	60	21.0
Quite satisfied	85	29.7
Satisfied	14	4.9
Total	286	100.0

Source: Survey Data, 2019

The respondents quite satisfied with the service as the results show that it has the highest percentage 29.7% among the rest of the options. Secondly, some of the respondents answered “quite unsatisfied” as the result is 25.5% and some of the respondents answered “do not know” and it results 21%. Next, the option “Unsatisfied” is 18.9% and lastly, the option “Satisfied” is 4.9%. The results show that only a few people satisfied the services of the insurance and mostly are negative. Then, it can be assumed that the services provided by the insurance industry still needs to improve and need to understand the needs of the clients as well.

4.3.8.5 Choice Upon Insurance Products

The analysis on choice upon the insurance products is included in the questionnaire and the respondents are given four options such as 1 = general insurance, 2 = life insurance, 3 = health insurance, 4 = others.

Table (4.32) Choice upon Insurance Products

	Number of Respondents	Percent
General Insurance	72	25.2
Life insurance	122	42.7
Health insurance	77	26.9
Others	15	5.2
Total	286	100.0

Source: Survey Data, 2019

The analysis on choice upon the insurance products resulted as 42.7% of the respondents answered “Life insurance”, 26.9% is Health Insurance, 25.2% is General Insurance, and only 5.2% is others. There are different types of insurance products can be chosen in the market. Then, the analysis is done to identify the best choice products among the respondents. The results show that the respondents prefer life insurance among the other products. General insurance and health insurance have nearly same amount in total respondents. In other words, Myanmar people may feel life insurance is more important than the rest of the insurance products as well. Also, the nature of the user of the insurance products in Myanmar also depends on the choice of the insurance products as well. Then, the awareness of the other products may still need to improve.

4.3.8.6 Factors Making Decision to Buy Insurance

The analysis on the factors making decision to buy insurance is analyzed with the question giving the options such as 1= Brand image of the Company, 2= Excellent past record of performance, 3= My friend/acquaintances have bought from this company, 4= Marketing people insisted me to buy, 5= Impressed the company’s Ads

and promotion, 6= Desire to try out a new company. The results for this question are given in the Table (4.33).

Table (4.33) Factors Making Decision to Buy Insurance

	Number of Respondents	Percent
Brand image of the Company	92	32.2
Excellent past record of performance	26	9.1
My Friend/ acquaintances have brought from this company	47	16.4
Marketing people insisted me to buy	85	29.7
Impressed the company's Ads and promotion	24	8.4
Desire to try out a new company	12	4.2
Total	286	100.0

Source: Survey Data, 2019

Among the given options, brand image of the company is the most important factors to buy the insurance as it got the highest percentage among all the options. It resulted 32.2%. Secondly, marketing people insisted to buy got the second highest percentage 29.7%. Thirdly, friends and acquaintances have bought from that company is the thirdly important factors to buy insurance products as it resulted third highest percentage of 16.4%. But desire to try out a new company got the lowest percentage rate among all the options. Factors in making decision to buy insurance are also important in insurance industry. In this case, the respondents said that brand image of the company is the most prominent among the other factors. Secondly, marketing people also affect the selling of insurance products.

4.3.9 Analysis on the awareness of local and foreign insurance companies and private and public insurance companies.

In Myanmar, within the Insurance industry, both private and public insurance companies and private and public companies are available. Then, the awareness of the respondents on the insurance market is analyzed. Moreover, the perception of the respondents forward to the entrance of foreign companies is also studied.

4.3.9.1 Awareness on Insurance Market Liberalization, Investment and Operation of Foreign Insurance Companies

The awareness on the insurance market liberalization, investment and operation of Foreign Insurance companies of the respondents is analyzed and the results are shown in Table (4.34).

Table (4.34) Awareness on Insurance Market Liberalization, Investment and Operation of Foreign Insurance Companies

	Number of Respondents	Percent
Yes	180	62.9
No	106	37.1
Total	286	100.0

Source: Survey Data, 2019

The analysis for the awareness of the insurance resulted as the answer for “Yes” is 62.9% and the answer for “No” is 37.1%. Then, it can be assumed that most of the respondents have the awareness on the insurance. The awareness on insurance market liberalization, investment and operation of Foreign Insurance companies is also analyzed in the survey. In this case, the respondents have the awareness on these.

4.3.9.2 Incoming of Foreign Insurance Companies

The analysis on the respondents’ thoughts on the incoming of Foreign Insurance companies is done with five- Likert scales question with the options 1 = Good for the market, 2= Good for the customers, 3 = Neutral, 4 = Opportunities for Local Insurers, 5 = Threats for Local Insurers.

Table (4.35) Incoming of Foreign Insurance Companies

	Number of Respondents	Percent
Good for the market	91	31.8
Good for the customers	72	25.2
Neutral	55	19.2
Opportunities for Local Insurers	59	20.6
Threats for Local Insurances	9	3.1
Total	286	100.0

Source: Survey Data, 2019

According to the results got from the survey, the respondents think that the incoming of Foreign Insurance companies is good for the market and the result for that option got the highest percentage 31.8% among all the options. Secondly, the respondents think that it is good for the customers too as the result is second highest among the option and it is 25.2%. Only a few respondents think that it is the threats for local insurance as it is resulted 3.1% among the options. The attitude of the respondents upon the incoming of foreign insurance companies is also analyzed in the survey. In this case, the results show that the respondents have willingness for the incoming of the foreign insurance companies. Lastly, only the few respondents feel that is the threats for local insurers.

4.3.9.3 Choice between Public and Private Insurance Companies

The questionnaire includes the two options such as public and private for the analysis on the respondents' choice between the public and private insurance companies.

Table (4.36) Choice between Public and Private Insurance Companies

	Number of Respondents	Percent
Public	15	5.2
Private	271	94.8
Total	286	100.0

Source: Survey Data, 2019

According to the results, 94.8% of the respondents choose the private companies to buy the insurance products. Then, only 5.2% of the respondents choose the public companies to buy the insurance products. The respondents' choice between the public and private insurance companies is also analyzed in the survey. In this case, the results show that most of the respondents prefer private insurance companies rather than public. The result is very peak in private so it means that public insurance companies still have challenges in improving their services and awareness.

4.3.10 Need of Insurance Cover

The question for analysis on whether the insurance cover the needs of the respondents is included. It is the Yes/ No question. The results for that question are shown in table (4.37).

Table (4.37) Need of Insurance Cover

Need of Insurance Cover	Number of Respondents	Percent
Yes	208	72.7
No	78	27.3
Total	286	100.0

Source: Survey Data, 2019

According to the survey results, the respondents think that the insurance cover the needs of the respondents as the answer for “Yes” is 72.7%. Some of the respondents think that the insurance do not cover their needs as the results for “No” is 27.3%.

4.3.11 Premium Rates

The analysis on whether premium rates are reasonable and affordable is included in study. The five Likert scale including 1 = unaffordable, 2 = quite unaffordable, 3 = do not know, 4 = quite affordable, 5 = affordable.

Table (4.38) Premium Rates

	Number of Respondents	Percent
Unaffordable	23	8.0
Quite unaffordable	33	11.5
Do not know	59	20.6
Quite affordable	90	31.5
Affordable	81	28.3
Total	286	100.0

Source: Survey Data, 2019

The respondents think that premium rates are quite affordable as that option got the highest percentage 31.5%. Secondly, the premium rate is affordable as it got the second highest percentage 28.3%. Then, 20.6% of the respondents answered “Do not know”. 11.5% of the respondents answered quite unaffordable. Lastly, 8% of the respondents choose unaffordable. Also the premium rates for the insurance are also analyzed in the survey. In this case, the respondents feel that the premium rates are affordable.

CHAPTER V

CONCLUSION

Insurance system is actually risk mitigation mechanism and people who aware of risk in their lives and businesses know the essence of Insurance and how it works. It is one of the pivotal roles of economic development of the country. According to my research Myanmar People still unaware of pure risk and do not understand how insurance works and how insurance can support in their lives and for their businesses. Some private Insurance companies are aware by public because of their well-known business group and success of their business in other industries. Top three private companies in the market are IKBZ, Grand Guardian Insurance and AYA Myanmar Insurance. The most trending platform to promote branding and products of the Insurance Company is by using online social media. Since start operation of Private Insurance companies in 2013, there are two different types of license have been issued to operate as composite companies which can do both Life and General Insurance Products and only Life products. In 2018, IBRB announce composite companies to separate Life Insurance Company and General Insurance Company as to plan for the next step of market liberalization.

However, less awareness in Life Insurance Products due to weakness of product features and benefits, only companies who can operate General Insurance Products are well-known. Comprehensive Motor Insurance is the most trending product in General Insurance due to mass stocks of cars and so many accidents happening. In Life Insurance, Group Life Insurance is the most well-known due to the coverage provided by Employers for the sake of their employees' welfare and safety. One of the challenges to improve the Industry is to get convenient assess of getting information, reaching to customers, buying Insurance and claiming for loss is as easy as to go through via internet like developed and developing market countries. Almost all of local insurance companies are working for that but lack of hardware infrastructures, human resources to support the system and capital investment is still hard for them to go through. Health Insurance is the most needed coverage system for the society of every country and the most popular for other country but due to unattractive product features and benefits, also knowledge of customers the Health Insurance is not attractive as General Insurance Products. Current market condition,

capacity of Insurance Salesperson, acceptance of customers and not understand the essence of Health and Life Insurance system General Insurance market share is dominating now.

According to my research of visit data, people are start interesting in Insurance but most of them are not satisfy with the information and the main reason is not competent enough of the employees' knowledge and capacity. For the Banking Industry to resolve the same problem there is so many Private and Public Institutes, Colleges and Universities to learn from basic to master's degree. Unlike Banking Industry, need of learning facility is still lack for Insurance Industry and fresh graduates and employees who have experienced in other industries who willing to enter in the Insurance Industry has no place to study for their basic knowledge. Only Internal Training Program develops by the companies themselves to develop their capacity of their employees which is not enough to meet the market needs. MIA is now working along with other foreign institutes and associations to develop basic training programs up to Diploma level. Some private Institutes are planning to involve in the learning business of Insurance, but I prefer University like Yangon University of Economics to initiate would be more effective.

In near future, the need of human resource in the industry will be more critical due to involvement of Foreign Insurance companies. Their market expansion plan will be along with the need of Human Resource. With the aids of their experience, expertise, capital injection and knowledge sharing will develop the competency level of employees. By overcoming this challenge, it will be one of the factors to support the development of the Insurance market. Incoming of Foreign Insurance companies will key driving force of industry development not only for market but also for customers and Local Insurance companies as per executive point of view which is same with public point of view. Also the key roles of state owned insurers Myanma Insurance expect to change. One way is to compete with others as they will lose their monopolistic power or another way is to lead in reinsurance business like other developed and developing countries.

Increasing uncertainty of tomorrow, people are aware of Insurance and knowledge the need of Insurance cover. Current premium rates stettered for Insurance products are affordable for all medium level and above incomers. In the future, Health

and Life Insurance market share will increase as almost all persons are needed for that coverage and not all persons own cars, houses and valuable properties to be insured. To be a market leader in future competitive market, Insurance companies have to be the best at its branding and marketing strategy and as well need to create and develop its own attractive Insurance products.

As an ending and final recommendation of the study, Myanmar Insurance industry is now in the kickoff stage for transforming to develop and enter in International market thus still a lot to study in the future. This study is limited scope, times and resource to cover all areas of Industry but have tried all the best to cover some key areas and highlight key challenges to overcome to develop and base on proper and definite research and analysis, it will be useful for further research and study.

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Appendix (A)

1. Lists of Private Insurance Companies

No.	Company Name	General Insurance	Life Insurance
1	First National Insurance Public Co., Ltd.	Yes	Yes
2	I.K.B.Z Insurance (Public) Co., Ltd.	Yes	Yes
3	Young Insurance Global Co., Ltd.	Yes	Yes
4	Grand Guardian Insurance Public Co., Ltd.	Yes	Yes
5	Global World Insurance Co., Ltd.	Yes	Yes
6	Excellent Fortune Insurance Co., Ltd.	Yes	Yes
7	Aung Thitsar Oo Insurance Co., Ltd.	Yes	Yes
8	Pillar of Truth Insurance Co., Ltd.	Yes	Yes
9	AYA Myanmar Insurance Co., Ltd.	Yes	Yes
10	Capital Life Insurance Co., Ltd.	-	Yes
11	Citizen Business Insurance Public Ltd.	-	Yes
12	Aung Myint Moh Min Insurance Co., Ltd.	-	Yes

Source: (insurance-business-supervisory-board-ibsb/2013)

2. List of foreign companies permitted to open Representative Offices in Myanmar

- 1) American International Assurance Co.
- 2) ACE INA International Holdings
- 3) MetLife
- 4) Mitsui Sumitomo Insurance Co.
- 5) Muang Thai Life Assurance
- 6) Sompo Japan Insurance Inc.
- 7) Tokyo Marine & Nichido Fire Insurance Co.
- 8) Taiyo-Life Insurance Co.
- 9) Poema Insurance
- 10) Great Eastern Life Assurance Co.

- 11) Prudential Holdings
- 12) Pana Harrison (Asia) Pte.
- 13) Manulife Financial Life Insurance
- 14) Willis Co. and
- 15) United Overseas Insurance
- 16) New India Assurance
- 17) Jardine Lloyd Thompson
- 18) Marsh Insurance.
- 19) Chubb INA International Holdings Ltd.
- 20) K.M.Dastur & Company Private Limited.
- 21) DB Insurance Co., Ltd.
- 22) Allianz Global Corporate & Specialty SE.
- 23) Shin Kong Life Insurance Co., Ltd.
- 24) Thai Life Insurance Public Company Limited.
- 25) AEGIS Management Consultants & Insurance Agency Co., Ltd.
- 26) Dai-Ichi Life Holdings, Inc.
- 27) Grandiose Pte. Ltd.
- 28) Asia Reinsurance Brokers Pte Ltd.
- 29) MGA Asia Insurance Brokers Company Limited.
- 30) Nippon Life Asia Pacific (Regional HQ) Pte. Ltd.
- 31) Acclaim Insurance Brokers Pte Ltd.
- 32) United Overseas Insurance Limited.
- 33) McLarens Singapore Pte. Ltd.
- 34) LOLC Life Assurance Limited.

3. Survey Questionnaire

Dear Respondents,

Below questionnaire is for my thesis paper which is needed for my graduation of Executive Master of Public Administration. My paper is about challenges of Myanmar Insurance Industry. My questions are based on your awareness of Insurance, thus I would like to request you to respond all questions. The information collected is intended to be used for pursue academic purposes only and respondents information will be kept confidential. I shall be grateful for your valuable inputs and active co-operation.

I. Personal Information

- 1) Sex : Male Female
- 2) Age : 18-25 yrs 26-33 yrs 34-41 yrs 42-49 yrs Over 49 yrs
- 3) Education :
- a. High School
 - b. Graduate
 - c. Post Graduate
 - d. PhD
 - e. Others (Please Specify)
- 4) Occupational Background :
- a. Students
 - b. Government or Public sector employee
 - c. Private Financial sector employee
 - d. Private other than financial sector employee
 - e. Self employed
- 5) Monthly Income level :
- a. Over 100,000/- MMK
 - b. Over 500,000/- MMK
 - c. Over 1 Million MMK
 - d. Over 2 Million MMK
 - e. Over 3 Million MMK
- 6) If you are working currently in public or private insurance companies, experience :
- a. Below 1 year
 - b. Over 1 year
 - c. Over 2 years
 - d. Over 3 years
 - e. Over 4 years
 - f. Over 5 years

II. Insurance Knowledge and Awareness

- 1) What is your biggest risk for your life and for your business or income?
- i. Fire
 - ii. Theft
 - iii. Competition
 - iv. Cost of doing business
 - v. Job security/Occupation
 - vi. Health
- 2) How can you manage your risks mentioned in above?
- i. Saving at the Bank
 - ii. Own saving
 - iii. Insurance
 - iv. Microfinance firms

3) Do you know the meaning of Insurance?

Do not know at all	Quite not know	Neutral	Know something	Know very well

4) Do you understand how Insurance system works?

Not understand at all	Not quite understand	Don't know	Understand something	Well understood

5) Do you know there are both public and private insurance companies doing business in Myanmar?

Yes No

6) Do you know how many local private insurance companies have license to do business?

Do not know at all	Quite not know	Neutral	Know something	Know very well

7) Please choose the names of top three Insurance Companies you heard of.

- i. First National Insurance Public Co., Ltd.
- ii. I.K.B.Z Insurance (Public) Co., Ltd.
- iii. Young Insurance Global Co., Ltd.
- iv. Grand Guardian Insurance Public Co., Ltd.
- v. Global World Insurance Co., Ltd.
- vi. Excellent Fortune Insurance Co., Ltd.
- vii. Aung Thitsar Oo Insurance Co., Ltd.
- viii. Pillar of Truth Insurance Co., Ltd.
- ix. AYA Myanmar Insurance Co., Ltd.
- x. Capital Life Insurance Co., Ltd.
- xi. Citizen Business Insurance Public Ltd.
- xii. Aung Myint Moh Min Insurance Co., Ltd.

8) From which media channel you heard for those companies?

- i. Newspaper
- ii. Online social media
- iii. Insurance news letter
- iv. Radio
- v. Television Ads

9) Do you know that General Insurance and Life Insurance are separated according to the nature of Insurance products in Myanmar?

Yes No

10) Do you know about General Insurance Products?

Yes No

20) Do you think current Life and Health Insurance products attract people to buy insurance?

Yes No

If you answer “Yes” please answer question No.(21) and if you answer “No” please skip to question No.(21).

21) Please choose reasonable answers to be more attractive.

- i. More affordable Price
- ii. Better Coverage
- iii. Provide benefits more than coverage

22) Have you ever visited to Insurance companies, Insurance agents, Workshops, Events or some other sources to know about Insurance?

Yes No

23) Do you get satisfy or all the information you wished to get?

Unsatisfied	Quite unsatisfied	Do not know	Quite satisfied	Satisfied

24) Have you ever had or heard service experiences about Insurance companies?

Yes No

25) Do you got or heard satisfy and competence services from the Agents or Employees of Insurance companies?

Unsatisfied	Quite unsatisfied	Do not know	Quite satisfied	Satisfied

26) Do you aware of Insurance market liberalization, investment and operation of Foreign Insurance companies?

Yes No

27) What do you think on the incoming of Foreign Insurance companies?

Good for the market	Good for the customers	Neutral	Opportunities for Local Insurers	Threats for Local Insurers

28) If you ever have to purchase Insurance cover which one will you choose, from public or private companies?

Public Private

29) Do you think you need Insurance cover?

Yes No

30) Do you think premium rates are reasonable and affordable for you?

Unaffordable	Quite unaffordable	Do not know	Quite affordable	Affordable

31) If you have to buy Insurance, what kind of Insurance will you buy?

- i. General Insurance
- ii. Life Insurance
- iii. Health Insurance
- iv. Others

32) If you are decided to buy insurance, which will make you choose the right company for you?

- i. Brand image of the Company
- ii. Excellent past record of performance
- iii. My friend/acquaintances have bought from this company
- iv. Marketing people insisted me to buy
- v. Impressed the company's Ads and promotion
- vi. Desire to try out a new company

----- Thank you so much for your time and participation. -----

Appendix (B)

Interview Questions with Answers

Dear Sir/Ma'am,

I am Htet Wai Min, who is studying for Executive Master of Public Administration at Yangon University of Economics. I am working on my research paper for my graduation regarding with the challenges of Insurance Industry in Myanmar. According to this, I would like to request from you to answer below interview questions which are highly necessary for my research paper.

Thank you in advance for your precious time and your kind cooperation.

1. I would like to start my question with what are the changes as we can say improvements, between last 6 years and current Myanmar insurance industry.

We can see significant improvements and developments in the market since 2013. First of all, insurance companies, most particularly the private insurance companies, have gained a lot of knowledge and experiences in insurance business through technical training and hands-on experiences in dealing with customers and business partners during these years. Secondly, private insurers are allowed to sell more insurance products than they were allowed at the beginning. They can even propose to develop new products. With that flexibility combined with marketability of the companies improved the sales volume and the growth of written premiums in multifold. Finally, the insurance market has been fully liberalized and foreign companies are allowed to come into the market.

2. What could be the most challenging sectors when you started this company in this industry?

Although there may be a lot of opportunities with the opening of the market, there also exist challenges especially for Myanmar careers. Competition can be one of the major challenges Myanmar careers will face as the foreign companies has the competitive leverage in terms of experience and technical knowhow, rich in availability of insurance products, wide business networks and superiority in technical system. Another important challenge will be shortage in human capacity. We do not have adequate number of qualified people in the market. With growing demand of insurance products and services, insurance companies can have difficulties in finding qualified personnel to take care of the growing volume of works.

3. However, the changes and liberalizing the market, the sector is still strictly regulated and controlled, so there would be anything that stagnate the development of the industry?

It seems like foreign insurance companies will become driving force for the industry development. They are here for business and they are committed. It is an important fact that proper and appropriate regulatory framework need to be in place to regulate, supervise and monitor the activities of insurance companies and related institutions. Redrafting of

insurance laws and related regulations are underway. International experts are involved in the process of revising and modernizing these regulations. It is assumed that there will be an appropriate regulatory framework coming out soon. However, the functions and capacity of the regulator are also very important to enforce the market in accordance with these new regulations.

4. Rare of qualified human working capital might be one of the challenges so what is your strategy to resolute that as a Managing Director and as a member of the Myanmar Insurance Association?

This was discussed in the previous question. Shortage of human capacity can be one of the major challenges companies will face. Without competent people, a business or enterprise would not achieve good results in their business performance. Management of the companies will have to be committed in investing for human capital development continuously coping with the demands. Poaching is not an option for companies in recruiting qualified people. So therefore, the best approach is to plan and invest in human capital development.

5. Insurance industry in Myanmar is still not very common among the people, so how would you do to attract more people and raise awareness?

When talk about insurance education, it is also about educating the general public. Everybody agrees that level of public awareness of insurance in Myanmar is still very low. It is envisaged that extensive public educational or awareness campaign needs to be conducted. It's impossible for a single company/organization to effectively undertake large scale project campaign. All stakeholders of the industry have to do it in a coordinated-efforts to realize a comprehensive program on the country-wise basis. Government support in the project will add great value to the program.

6. As the market is liberalizing, there will be more competitive and also there will be more opportunities in the same time so among the necessities which are the most critical for us?

Companies must always try to place themselves in the competitive edge in the market to gain larger market share and to be profitable. When the market is highly competitive, the efforts need to be made by the companies will become more demanding. We are looking at a market where the competition can be fierce. Companies who don't have the strong sense of commitment and strategy for competition in the market will risk losing market share and suffer losses. Important factors in keeping a company in the competitive edge varies across the business environment. Most important part of the whole game is the people of the company. Officers and employees should be trained, treated and motivated to have good spirits and strong commitment towards the long-term development of the company. Other

aspects may be corporate culture and system to contribute to the company's efforts to being competitive in the market.

7. Comparing with our neighbors countries, what do you think the differences and gaps between us and them?

It depends on which neighboring countries we are looking at. The level of developments in neighboring countries mainly rest on how long they have been adopting the concept of open market and liberalization and how systematically they have implemented these liberalization schemes. It is also largely dependent on their overall economy of the country. So, I would expect Myanmar insurance market will on par and beyond with Cambodia and Laos markets and catch up Vietnam market in a time frame of 5 to 10 years. Other ASEAN countries will stay ahead of us for some times.

8. For the last, your outlook for Myanmar Insurance industry and something more you would like to add?

Myanmar insurance industry is definitely in the phase of taking off. In another 6 years we will see the totally different landscape of the industry with a lot of changes and developments. I believe Myanmar and its people may be able to enjoy the benefits of these changes and developments.