

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

**A STUDY ON THE BUYING BEHAVIOUR OF
MOTOR INSURANCE IN YANGON**

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EMPA – 32 (18th BATCH)**

MARCH 2023

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**A STUDY ON THE BUYING BEHAVIOUR OF
MOTOR INSURANCE IN YANGON**

Submitted to the Board of Examiners in Partial Fulfilment of the requirements for the
Master Degree of Public Administration

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This is to certify that this thesis entitled “**A Study on the Buying Behaviour of Motor Insurance**”, submitted in partial fulfilment towards the requirements for the degree of Executive Master of Public Administration (EMPA) has been accepted by the Board of Examiners.

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ABSTRACT

This study uses descriptive statistics and a stimuli-response model to analyse consumer purchasing behaviour for auto insurance in Yangon, Myanmar. A total of 321 answers from residents of Yangon were gathered to examine their car insurance purchasing patterns. When making a final choice to get auto insurance, the majority of respondents give more weight to the company's and the agents' strong industry reputation than to other considerations like discounts or premium costs. The capacity of insurance agents to build a connection with clients is one of the biggest driving forces in the insurance industry, thus it is crucial for the agency channel to inform and deliver the best insurance solution for the needs of consumers.

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LIST OF ABBREVIATIONS

AIC	:	ASEAN Insurance Council
ASEAN	:	Association of Southeast Asian Nations
CEIC	:	Census and Economic Information Center
COVID19	:	Coronavirus disease of 2019
FNI	:	First National Insurance
FRD	:	Financial Regulatory Department
FY20	:	Financial year 2020
GDP	:	Gross Domestic Product
GGI	:	Grand Guardian General Insurance
GWP	:	Gross Written Premium
GWI	:	Global World Insurance
IBRB	:	Insurance Business Regulatory Board
IBSB	:	Insurance Business Supervisory Board
IKBZ	:	Insurance Kanbawza
IT	:	Information technology
MIA	:	Myanmar Insurance Association
MIE	:	Myanmar Insurance Enterprise
MTPL	:	Motor Third-party Liability
Q	:	Quarter
RVP	:	Road Victim Protection
TGIA	:	Thai General Insurance Association
TPL	:	Third Party Liability
WHO	:	World Health Organization

CHAPTER 1

INTRODUCTION

1.1 Rationale of the Study

Road traffic injuries are a significant public health and development issue, killing nearly 1.2 million people annually and injuring or disabling an additional 20–50 million people, according to the World Health Organisation (WHO) and the World Bank's first major report on the prevention of road injuries. Estimates from the WHO and World Bank, these injuries will significantly increase by 2020 if the right steps are not taken, especially in nations that are quickly motorizing their economies. Only 48% of the world's registered vehicles are in countries with low and moderate incomes, however these nations account for over 90% of all traffic deaths. According to the Ministry of Transport and Communications' 2022 report (see appendix B), there were 26630, 27763, 29144, 26741, 25072, 26630, 27763, 29144, 26741, 25072, 18620 and 8311 in the year of 2015 through 2021 respectively in Myanmar (Nwe Nwe Khin, 2022).

Although there is a lack of information regarding the costs of traffic accidents, particularly for Low- and middle-income nations, it is obvious that these injuries have a significant financial impact on individuals, families, communities, and entire countries, costing these nations between 1 and 2 percent of their gross domestic product. In addition, there is the grave and terrible burden placed on the relatives, friends, and communities of those directly impacted, as well as on their physical and mental well-being. In order to care for survivors of traffic accidents, health facilities and their limited funds are severely overburdened, according to the WHO's 2004 World Report on Road Traffic Injury Prevention. (Gönülal, 2009)

Automobile insurance could be improved to be a significant tool for fostering individual accountability. The connection between the costs associated with having an accident and the economics of paying for those costs, if adequately communicated, will eventually change driving behaviour. While insurers are powerless to alter the condition of roads and bridges, standardising systems for compiling histories and evaluating

claims offers some advantages for both the insurer and the insured. Databases make it easier for insurance firms to assess impending compensation claims and provide more precise tracking in fraud situations. This aspect is particularly significant when there is no insurer of last resort, or when insurance companies must underwrite, as it may also help to stabilise the growth of premiums and rates. The insured would benefit from a more predictable course of events.

Aside from the social function that insurance serves in relieving the burden of providing for financial security needs, financial markets and general economic development would also be helpful. Insurance businesses can amass assets necessary to promote investment and the national economy due to the fact that they have thousands of customers. As a result, they serve as a bridge between financiers and economic actors including families, businesses, and occasionally even governments that lack sufficient money. An important aspect in the expansion of the financial markets in the ASEAN countries is the emergence of eleven of this new class of intermediaries with characteristics distinct from those of banks, notably in terms of the timeframe for investments. (Ramamoorthy C, 2012)

Up till February 2019, 700,000 vehicles in Myanmar had registrations. The rate of acquiring insurance is rising, and the amount of persons who drive is rising daily, but it is still considerably lower than anticipated, according to the government-run insurer Myanmar Insurance Enterprise (MIE). Despite the growing number of motor vehicles being used for transportation, only about 30% of car owners have purchased comprehensive coverage insurance. Depending on the kind of car that the individuals wish to insure, fully comprehensive motor insurance is quite helpful. In the event of catastrophic disasters, this sort of insurance provides comfort. Comprehensive insurance will safeguard and directly compensate the people for their losses, as opposed to third party insurance, which has a fixed cover and only covers accident liability and collision. This sort of insurance covers any financial losses faced as a consequence of unforeseeable accidents, unlike other types of insurance that typically solely benefit a third party.

The insurance sector indirectly supports economic growth in addition to assisting the financial sector's development (via competitive pricing and effective resource allocation). Nevertheless, the function of insurance differs for various economic levels and is significantly influenced by the proxy employed to gauge insurance activity. Economic development benefits from the insurance industry, and

vice versa. A country's level of economic development influences the development of the insurance industry in the same way that a developed insurance market supports economic growth. The demand for insurance goods has been steadily increasing in recent decades. Economic (Gross Domestic Product (GDP), earnings, employment, inflation, etc.), demographic (age, sex, region, education, etc.), and political, or legal (corruption, the rule of law, etc.) aspects can all be categorised as important determinants of demand for insurance products.

In 2019, there were significant changes to the insurance sector in Myanmar. Both the non-life and the life sectors of the market were opened to a small amount of foreign competition. A new draught Insurance Business Law is also being prepared, and it is anticipated that it will be passed in the upcoming years. Since it was drafted in 2019, this legislation has undergone public consultation. (VDB-Loi, 2019)

The study's findings will enable both public and private sector stakeholders to collaborate effectively and efficiently as they build the motor insurance business by knowing customer purchasing patterns.

1.2 Objectives of the Study

The objective of the study is to analyse the buying behaviour of customers for motor insurance products.

1.3 Method of the Study

Over 1,000 participants were contacted for the survey, and 312 of them responded using a basic random sampling method to select a sample. In this study, the stimulus-response model is used to assess consumer purchasing patterns for both comprehensive and third-party liability auto insurance.

The focus of this study is on consumers' purchasing habits related to auto insurance. A descriptive approach is employed to achieve the goals of this thesis, and certain data and information were presented utilising graphs and tabular forms. To gather primary data and information, an online survey was carried out using certain pertinent questionnaires. Secondary data are also gathered from reports issued by the Financial Regulatory Department (FRD), the Insurance Business Regulatory Board (IBRB), the Myanmar Insurance Association (MIA), as well as from relevant journals, websites, old research papers, scholarly publications, articles, reports, and literature.

1.4 Scope and Limitations of the Study

This study is limited to Motor Insurance and focuses on the customer perspective only. For the case study, it covers from the period 2015 to 2023 based on the availability of the official data. The survey is conducted only in Yangon Region because of the highest insurance penetration.

1.5 Organisation of the Study

This study includes five chapters altogether. Chapter one is about the introduction section following with rationale, objectives, method and organisation of the study. The Chapter two states the literature review. Chapter three describes the evolution of the market for automobile insurance and the regulatory framework applicable in Myanmar. The chapter four analyses the customer buying behaviour of motor insurances in Yangon based on the data. The chapter five includes findings and recommendations.

CHAPTER 2

LITERATURE REVIEW

2.1 Concept of Insurance

The term "risk" in insurance refers to both the possibility of an event occurring and the severity of its unfavourable effects. To put it another way, it always entails the unknown that results from the potential occurrence of certain occurrences, the results of which may place one in a worse position than they did prior to the event. People are exposed to a variety of dangers in their daily lives and activities, in addition to the unfortunate outcomes of those risks. Misfortune can occur in a number of ways that result in monetary losses, emotional harm, or physical suffering.

The acquisition of insurance may usually make up for most forms of calamities. There are some losses, though, that cannot be recovered from. The loss brought on by a loved one's passing is one such example. The loss of limbs as an outcome of an accident is another illustration. In these situations, the insurer can only offer compensation that will at the very least help mitigate the financial losses brought on by an unfortunate event.

An insurance is a contract in which an individual is the insured and an insurance business (the insurer) provides financial protection for any losses the insured may incur under defined conditions. The insured must pay the insurer regular premium payments under an insurance contract. If an adverse event occurs, such as the death of the life insured or damage to the insured or his property, the insurer pays the insured a predetermined sum assured.

Simply put, paying a little predictable sum of money (a premium) to protect against a bigger uncertain expense (a loss or claim) is insurance. In return for a fee, this shifts the risk from the proposer to the insurance firm. Normally, risk comes with a threat. The primary cause of a loss is a peril. Fire, theft, accident, liability, illness, and early death are a few instances that demonstrate of hazard. Property damage, human injury, or even the loss of life may result from a hazard.

There are three main elements of risk which insurers normally look at:

1. Uncertainty – doubt about the future

Risk stems from uncertainty, which is thought of as a doubt about whether something will occur or not. We cannot, for instance, forecast if a person will be hurt in an accident or have his car stolen.

2. Differing levels of degrees of risk – depends on the classification of risk

A high number of low severity incidents and a low frequency of high severity occurrences are common in the insurance industry. For instance, there are more car accidents than aeroplane crashes each day. In contrast to airline crashes, which happen seldom but have serious effects in regard to the quantity of lives lost and the cost of settling insurance claims, motor vehicle accidents frequently result in claims but the results are less severe.

Insurance offers a benefit or service in the event that a risk materialises or provides cash compensation should it do so. Therefore, in order to get rid of any doubt regarding whether the loss has actually occurred (and consequently, when a claim payment is due), the risk must be completely specified. To estimate the amount of compensation needed, it must also be possible to put a cost on the loss. For insurance against automobile theft, for instance, figuring out when the incident has happened and how much compensation is necessary is rather simple. The amount of compensation for injuries sustained in an accident is frequently decided by the courts. In the case of life insurance, where the financial losses are more ambiguous, the payout is predetermined. (How Insurance Work, 2012).

3. Result having been brought about by a cause or causes (proximate cause)

When two or more independent dangers operate simultaneously (i.e., concurrently) to produce a loss, the proximate cause is the cause that had the greatest influence on causing the damage under the first-party property insurance policy (IRMI_ Proximate cause).

2.2 Types of Insurance

Traditionally, there are two types of insurance: general insurance and life insurance. Life insurance is a kind of insurance that provides a lump sum payment upon the insured person's passing or after a predetermined amount of time. General or non-life insurance refers to insurance that covers any other property outside a person's life.

It includes property insurance to protect against loss from fire and theft, as well as personal insurance for things like health, accidents, and legal obligations. It also includes insurance for cars, marine risks, crops, travel, and livestock. One of the divisions of the general insurance sector is motor insurance.

The main player in the insurance industry in Myanmar is the state-owned Myanma Insurance, which offers about 50 different types of insurance, including reinsurance. Private domestic insurance providers, in contrast, can only offer a limited number of insurance coverage options, including:

- Life insurance.
- Comprehensive motor insurance.
- Fire insurance.
- Cash-in-safe and cash-in-transit insurance.
- Fidelity insurance.
- Marine cargo insurance.
- Travel insurance.
- Personal accident insurance.
- Marine hull insurance.
- Farmers' life insurance.
- Other programs of insurance allowed by the Ministry of Planning and Finance from time to time with the approval of the government (Nwe Oo, and Yuwadee Thean-ngarm, Tilleke & Gibbins, 2019).

2.3 Concept of Motor Insurance

A party promises to compensate another party in exchange for a fee in the case of a certain loss, damage, or injury as a way of financial loss protection. It is a system of risk management that is mainly active to protect against the risk of a potential financial loss. (Wikipedia Insurance, 2023) Life in the modern world has been extremely complicated, risky, and uncertain, and the financial loss they cause is not dependent on one's free will. If no method is developed to offset, compensate, and decrease, at least partially if not entirely, the financial loss caused by these risks and uncertainties, the economic and social advancement of human society will be hindered. (Aziz, 2011)

Third-party liability insurance and comprehensive motor insurance are the two main varieties of automobile insurance in Myanmar. The risk that is typically covered by third-party insurance is the expenses of fixing the vehicle after an accident, whereas comprehensive motor insurance policies cover the risk of the cost of repairing the vehicle after an accident, the cost of a new vehicle if it is stolen or broken beyond economic repair, as well as legal liability claims made against the driver or owner of the vehicle after the vehicle damages a third party.

In the vast majority of countries worldwide, comprehensive auto insurance is not required. However, because comprehensive auto insurance includes reimbursement for car accidents and other types of misfortune, it is the greatest option for car owners who wish to protect themselves against financial risk. This insurance coverage will protect the policy holder in the event that harm is incurred to a third party, an individual, or property. The coverage holder's personal car and medical costs are also covered. However, when compared to the third-party liability insurance coverage, this one has the most expensive premiums. Comprehensive motor insurance also covers damages that result from other non-car crash situations in addition to the coverage for damages to the policy holder's vehicle and the other party's vehicle.

2.4 Concept of Consumer Behaviours

Kotler and Keller (1993) defined customer purchasing behaviour as the study of how people, groups, and associations buy and discard goods, services, ideas, or experiences in order to meet their needs. Consumer buying behaviour is an integral component of marketing. According to one definition, purchasing behaviour is "a process that, through the use of information sources and their effective application, leads to the satisfaction of requirements and needs." Numerous elements of the buyer purchasing behaviour are acknowledged to have some bearing on the customers' purchasing decisions.

Buyer buying behaviour, otherwise, "refers to the purchasing behaviour of specific shoppers, both people and families, who purchase goods and ventures for individual utilisation." From the standpoint of advertising, specific aspects of consumer behaviour that should be investigated include the reasons why consumers make purchases, specific factors influencing specific examples of consumer purchases, an analysis of evolving public variables, and others. Additionally, the term "buyer purchasing conduct" has been introduced with the corresponding mainstream definitions.

The definition developed by Solomon (Solomon, 2006) described customer purchase behaviour as a way of choosing, obtaining, using, and discarding goods or services by individuals or groups in order to meet their demands and needs. (Schiffman, 2000) provides a comparative definition of customer purchasing behaviour, describing it as the behaviour that consumers exhibit when they choose and purchase the goods or services they require to fulfil their needs and wants.

In contrast, (Keller, 1993) highlighted the value of comprehending consumer purchasing behaviour and the ways in which customers choose their products and services may be crucial for manufacturers as well as specialised businesses as this gives them an advantage over their competitors in a variety of ways. They may, for instance, build their systems up to give the right goods and services to the right group of customers, effectively meeting their demands and needs, using the information they learned through thinking about the buyer purchasing behaviour.

On the need of comprehending the conduct of the buyer, another important argument is made. Better consumer awareness is a commitment to the financial health of the country, as the author of the piece suggests. The inventor further argues that goods and commodities are of astonishingly high quality in countries where consumers' buying habits are well known. As a result, the competitiveness of the products and services on the international market increased, increasing the country's ability to pay its debts. While this is going on, a refined local clientele base is a result of high-quality domestic goods and services (Blackwell, 2006).

Organisations engage in marketing and promotion activities to influence the customers' purchase decisions in addition to efforts to better understand the buying habits of their customers. However, when engaging in these activities, participants must take into account other external factors, such as the general state of the economy, governmental concerns, innovation, and ethnic culture, all of which are beyond the control of the organisation and the buyer (Lancaster, 2002).

2.5 Customer Buying Behaviours

Consumer behaviour is described as "the behaviour that consumers show in looking for, buying/using, evaluating, and discarding products, services, and ideas that they expect will please their needs" by Leon G. Schiffman and Leslie Lazar Kanuk. Consumer behaviour refers to how a person behaves when acquiring and using goods

and services. The decision-making process involved in this action is impacted by the individual's personality traits and external circumstances.

The study of consumer behaviour is extensive and intricate. Knowing consumers and comprehending consumer behaviours are not straightforward concepts. Accurately predicting how customers would act in a given situation is next to impossible. The goal of all marketing campaigns is to change consumer behaviour in the desired direction. The outcome of this endeavour impacts whether marketing initiatives or possibly the firm itself will be successful or unsuccessful. (K J. T., 2014)

Consumer behaviour research helps us understand the past and make future predictions. To truly understand how consumers choose to spend their money, it is important to consider the underlying variables that relate to their requirements, inclinations, and mindset.

A few customer behaviour models can help us better understand the distinctive client base and draw in, engage, and keep them as customers. These models can be classified as either conventional or modern. While modern models of consumer behaviour place more emphasis on rational and intentional decision-making processes than on emotions or unconscious desires, traditional behaviour models were created by economists in an effort to understand what customers purchase based on their wants and requirements.

Table (2.1) Consumer Behaviour Models

Traditional Models	Contemporary Models
Learning Model	Engel-Kollat-Blackwell (EKB) Model
Psychoanalytical Model	Black Box Model
Sociological Model	Hawkins Stern Model
Economic Model	Howard Sheth Model
	Nicosia Model
	Webster and Wind Model

Source: Needle, 2021

2.5.1 Traditional Consumer Behaviour Models

Psychological or learning Model

The psychological model, also known as the learning model, bases its theory on psychologist Abraham Maslow's hierarchy of needs, an approach to psychology that describes how each person's requirements in terms of their physical, psychological, and self-fulfillment. According to this consumer model, a person's desire to satisfy these demands and their emotional needs are reflected in their purchasing behaviour. Most people prioritise their psychological and self-fulfillment needs after attending to their basic necessities. For instance, a person who is starving could purchase food before a new hat.

Professionals in marketing and business development who work for companies that offer a diverse variety of products, such grocery or department stores, are often covered by the learning model. By arranging outlets in accordance to each level of the hierarchy, these businesses may gain from concentrating on the experiences of their customers. This may encourage customers to take care of their basic requirements before exploring other store departments.

Psychoanalytical Model

In order to appeal to a customer's unconscious impulses, this strategy also makes use of psychological theories. The psychoanalytical model's philosophy is based on Sigmund Freud's thesis, which states that everyone has conscious and unconscious reasons that influence their behaviour, including in this instance, their purchasing decisions. According to this paradigm, a company's presentation and marketing strategies may appeal to a customer's conscious and unconscious impulses, such as their societal ideals or self-perceived attractiveness.

This behaviour model may be useful for marketing and business development professionals that work with organisations that place a strong emphasis on their brand or image. In commercials or in-store marketing initiatives, take into account utilising this model. For instance, a high-end clothing company might run advertising campaigns that feature attractive people wearing its products. Viewing this commercial might satisfy a customer's desire to feel attractive, which might persuade them to go to the business's store.

Sociological Model

According to the sociological model, a person's social status or affinity group affects their purchase decisions. This could refer to a person's standing in society or their participation in social, familial, professional, or recreational groups. This also implies that people frequently purchase goods that reflect the standards or beliefs of a certain community. For instance, a hiker in the neighbourhood would buy sportswear and healthy food, while a corporate executive might buy formal clothing and office supplies.

This customer model normally benefits most firms since it allows them to design consumer experiences based on the clientele that typically buys their goods. They might do this by making use of the shared opinions or behaviours of these groups. An instrument shop might, for instance, provide electronic tuners that enable performers to tune their instruments more quickly than with conventional methods. This could demonstrate to customers from this group that the company has solutions to improve their performance inside their organisations.

Economic Model

According to the economic model, buyers often weigh an item's value against its cost before making their purchase to get the best value for their money. To create predictions, this model relies on the pricing effect, substitution effect, and income effect. The cost influences both how many goods a consumer buys and how much of the original item they purchase. Price dictates how many items a consumer purchases. The quantity of both commodities depends on income.

This means that firms can examine their prospective sales by finding out more about the spending patterns of their target customers and comparing them to the costs of the products. A company with continuously low prices might see a certain volume of customers as well as profits. In the majority of industries, marketing and business development experts can use this consumer model to assess their own prices as well as those of their rivals for comparable goods.

2.5.2 Contemporary Consumer Behaviour Models

Contemporary models analyse the importance of processes for making decisions in consumer behavior instead of emotional wants and needs. Here's a list of seven contemporary models:

Engel-Kollat-Blackwell (EKB) Model

The decision-making manner that many consumers employ before making a acquisition is outlined in five steps by this model. Professionals in marketing and business development will frequently employ this technique when working with a corporation that faces numerous rivals in the same industry. This is where the search engine optimization (SEO) techniques frequently assist firms in increasing their online and social media visibility, which frequently draws in more customers. Here are the five stages:

Consumers become conscious of their demand for the first time for a good or service at this point. This phase is typically introduced by advertisements. Information processing: At this level, consumers assess the worth of the product and whether it might meet their demands. Evaluation: This stage entails learning more about the product and determining whether there are any superior alternatives available. Consumers make a purchase at this point based on the product's best value, which may include its lowest price or highest quality. Analysis of the results: At this stage, customers evaluate the advantages and disadvantages of their shopping experience. They often decide if they want to return their product or purchase another one from the company after using it for a while.

Black box or Stimulus-Response Model

This paradigm acknowledges that while making purchases, customers react to both internal and exterior influences. An external stimulus, like an advertisement for a business, is internalised by the customer. They then analyse this data and evaluate it in light of their individual interests with the goal to make a purchasing decision.

For instance, the majority of customers purchase things after learning how they will improve their way of life. If they work for a firm that produces goods for specific lifestyles, such as fitness products or services that help people who need accessibility assistance, professionals in marketing and business development may adopt this model. The black box model, additionally known as the stimuli-response model, will be used in this study to investigate consumer purchasing patterns in the motor insurance sector.

Hawkins Stern Impulse Buying Model

This model puts the learning model to the test by asserting that consumers don't always make rational decisions before buying a product. It also classifies various forms of impulsive purchases:

A consumer may make an escape buy if they are drawn to something visually appealing that wasn't originally on their shopping list. Reminder purchase: This kind of purchase involves persuading a customer with in-store advertisements or prompts of a specific product's availability, like a bundle of bag clips in the chips corner. Purchases that are suggested typically come from advertisements on social media, salespeople, or family and friends. For instance, a website might propose to a customer that they buy a lens cleaner and a case for their glasses in addition to their initial purchase of a pair. Planned purchase: With this type of transaction, a customer purchases a desired item when the retailer provides a discount or promotion deal.

Because consumers who frequently make impulse purchases don't control their buying tendencies, most company professionals may employ this consumer model. This strategy can be applied by experts in marketing and business development by focusing on in-store marketing campaigns, product packaging design, and tactical pricing. When firms modify their algorithms on the corporate website, this frequently also applies to online purchasing.

Howard Sheth model

According to this consumer model, consumer behaviour involves a unique decision-making process with a number of variables that frequently influence it. This model can be used by marketing and business development experts in the majority of industries because consumers can use it to purchase any good or service. This decision-making process includes three levels:

Extensive problem-solving: Consumers are now in the dark regarding the businesses that produce their desired products. They gain knowledge about the market and their available resources by using their problem-solving abilities. Limited problem-solving: At this level, customers gain more knowledge about the desired product and assess the relative worth of the goods offered by other companies. Habitual response behaviour: Customers have a thorough understanding of the goods they wish to buy and the various purchasing options at this point.

Certain variables also affect these levels. The four most prevalent variables are shown below: Inputs: Inputs include product advertisements that a customer might see as well as comments from friends, family, and online reviewers. Perceptual and learning constructs: Personal needs and beliefs of the consumer are included here. Outputs: The final choice a consumer makes regarding a brand or product is the outcome of the combination of inputs, learning constructs, and outputs. External

variables: These variables include unrelated stimuli like the weather that may yet have an impact on a consumer's buying choice.

Nicosia Model

The Nicosia model, which contends that this is what affects consumers' buying decisions, places a greater focus on the business and its marketing strategies. Although marketing strategies do have an impact on consumer behaviour, other elements also play a role in how a consumer feels about a product and makes their choice. Because of this, some business experts may combine this paradigm with another model. The Nicosia model includes four concepts:

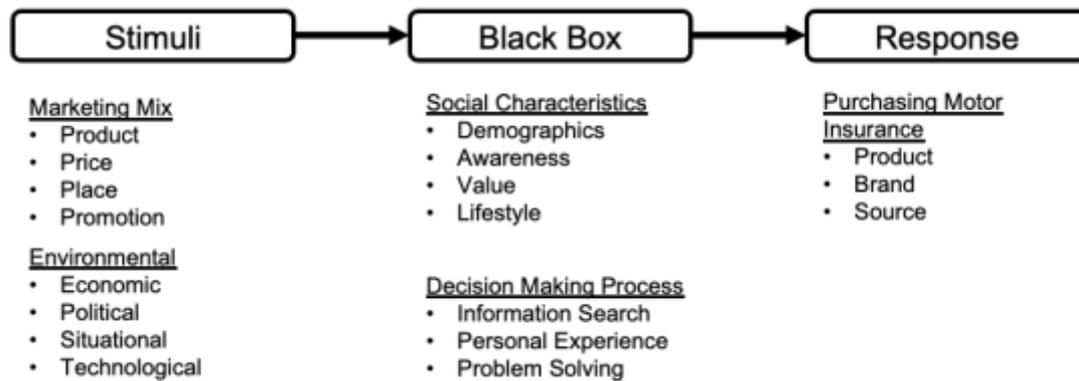
Consumer and business characteristics: This refers to the consumer's perception of the initial advertisement's message in light of their own values and interests. Search and evaluation: This refer to the consumer contrasting the products of several businesses based on their ads. Purchase decision: This has to do with the consumer's choice after weighing all of their options. Feedback: Here, a corporation decides to change its marketing pitch in response to consumer input.

Webster and Wind Model

Four factors that could affect a company's purchasing choice are explained by this business-to-business (B2B) model. These variables can be used by business development and marketing professionals in any industry to identify the purchasing habits of their target market. Here's a list of those four variables:

Environmental: A purchasing choice may be influenced by these outside factors, including supplier capabilities, technology, and consumer desires. Organisational: These internal factors include organisational culture, business objectives, and the way they assess purchase choices. Buying centre: This takes into account who signs contracts and renders judgements in business. Individual: These factors include details about the demographics of a company's employees, such as their level of education.

Figure (2.1) Black Box Model or Stimuli-Response Model



Source: The Black Box of Consumer Behavior, n.d.

The black box approach was used in this study to examine consumer purchasing patterns in Myanmar's automobile insurance market. Customers are influenced to make purchases based on the social features and decision-making processes that are already in place by the two main categories of stimuli: the marketing mix and environmental factors. Consequently, the consumer will buy the various brands, types, and distribution channels of auto insurance goods in accordance with this model.

2.6 Review on Previous Study

The "Factors Influencing Consumer Purchasing Decision of Used Car Insurance in Bangkok" was a topic of research by Warodom Techasurin, Chompu Nuangjamnong, and Kitikorn Dowpiset in 2020. The factors impacting customer decisions to purchase used automobile insurance in the Bangkok area were observed in this study. The target demographics are those who reside or are employed in Bangkok, Thailand. Consumer purchase decisions were the dependent variable and prices, brand names, and brand perceptions were the independent variables included in the conceptual framework. 400 respondents to an online questionnaire survey were used for the non-probability sample, which included convenience sampling and snowball sampling. According to the study's findings, brand name and price have a strong influence on consumers' decisions to buy car insurance, but brand image has the greatest influence of the three independent variables on consumers' decisions.

Additionally, Win Tun Aung (2019) researched the difficulties in developing comprehensive motor insurance in Myanmar. The study's goal is to determine the best course of action for the growth of comprehensive motor insurance by examining the current state of comprehensive motor insurance in Myanmar, with a focus on premium

and compensation. For the investigation, the quantitative approach is applied. Primary information gathered using a questionnaire. Secondary data are also gathered from acceptable and pertinent internet domains, Myanmar Insurance publications, and MIA publications. He discovered that the majority of respondents who are willing to buy comprehensive auto insurance work in corporate industries, share information within their communities, and have high incomes (Kyats 500,000–800,000). Moreover, the GGI (Grand Guardian Insurance), which was established in 2013, is the most well-known company from whom the respondents bought comprehensive motor insurance.

Krisana Kitcharoen (2021) published a case analysis of foreign residents of Thailand in the *Journal of Global Business Review* on the factors influencing customer buying decisions of insurance towards word of mouth. Customer loyalty, trust, and contentment were thought to have a substantial impact on word-of-mouth, which influences consumers' decisions to buy insurance packages. The theoretical studies of the relationship between decision-making behaviour, naturalistic decision-making, and relative attitude behaviour served as the basis for this study's conceptual framework. As a result, consumer trust is the factor that has the second-largest impact on word-of-mouth. Word of mouth has a big impact on purchasing decisions, too. Customer happiness, however, is found to have no discernible impact on word-of-mouth. It is advised that marketers develop brand recognition and image to win customers' trust and loyalty, train salespeople to improve customer happiness, and introduce innovative technologies to boost good word-of-mouth marketing to influence customers' purchase decisions.

A study on the important elements in Islamic motor insurance was done by Wan Asri Wan Abdul Aziz, Engku Ahmad Mustafa, and Azman Che Mat Engku Wok Zin in 2011. This study looks into the perceptions of takaful, or Islamic auto insurance, among government workers. A general insurance coverage based on syariah laws is provided by the insurance provider in Malaysia. This study focuses on four factors: product knowledge, awareness, advertising, and product benefit. The goal of this study is to gauge how Islamic motor insurance is perceived, as well as to determine whether there is a correlation between the dependent variable (perception) and the independent variables (four components). Government employees who use auto insurance are the responses. This study examines how knowledge, awareness, advertising, and the benefits of the product relate to government employees' perceptions of Islamic motor insurance using multiple regression and Pearson correlation analysis. According to the

results, the respondents have a favourable opinion of Islamic auto insurance. The research revealed that consumers had a very favourable impression of Islamic auto insurance.

A study conducted by Sudhir Chandra Das and Shalakra Rao (2017) sought to determine the effects of consumer purchasing behaviour on Indian consumers' happiness with their automobile insurance policies as well as the link between the two variables. 150 people participated in the current study (120 males and 30 women, or a 4:1 ratio), and it used a self-administered questionnaire with five statements about customer satisfaction and purchasing behaviour, each with a 5-point Likert scale. Bivariate Pearson Correlation and Linear Regression were both used as statistical methods. Pearson's bivariate correlation was used. Consumer buying behaviour and satisfaction factors are shown to not be significantly correlated using Pearson's correlation. The lack of a strong correlation between consumer buying behaviour and satisfaction (CB & CS) variables, particularly in the context of auto insurance, suggests that CB has little bearing on CS in this insurance policy.

CHAPTER 3

OVERVIEW OF MOTOR INSURANCE MARKET

3.1 Background of Insurance

The history of insurance is rooted in antiquity. People's protection from numerous threats has evolved into a contemporary industry throughout the years. The business has long been profitable and has played a significant role in public as well as private long-term financing.

The first insurance policies were documented in the ancient world by Chinese and Babylonian businessmen. Merchants would distribute their commodities among numerous ships that required navigating hazardous waters to reduce the loss of cargo. The Code of Hammurabi, that was written about 1750 BC, mentions one of the first ways of loss restriction that has been seen. With this approach, the lender would get an additional payment from the merchant in return for a promise that the loan would be cancelled in the event that the shipment was stolen. The Achaemenian rulers were the first to protect their subjects, and insurance documents were delivered to notary offices. Insurance for presents with a high value was also mentioned. Monarchs received these presents. Giving people may get assistance from the ruler by verifying the existence of their offerings by registering them in a register.

Maritime loans with rates dependent on preferable seasons for voyage emerged as the ancient world progressed. With their benevolent societies, the Greeks and Romans established the earliest types of life and health insurance round the 600 BC. Families of dead citizens were cared for by these groups. Such communities, which included grave ceremonies, existed for centuries in many different parts of the world. A kind of government insurance was created in Anatolia in the 12th century. If traders in the region were plundered, the state treasury would compensate them for their losses.

In the 14th century, stand-alone insurance policies that were not related to contracts or debts appeared in Genoa. In 1347, this was the location of the first known insurance policy. In the following century, separate maritime insurance was established. Premiums for this sort of insurance differ based on the risks involved. However, the

separation of insurance from contracts and loans was a significant development that would have long-term implications for insurance.

Pedro de Santarém wrote the first book written on the subject of insurance, and it was released in 1552. As Europe's Renaissance came to an conclusion, insurance developed into a far more complex kind of protection with several types of coverage. Many places were still ruled by friendly societies that sourced funds to pay for medical expenditures and burials till the late 17th century. However, by the end of the 17th century, London's influence in the world of trade had skyrocketed. This heightened the requirement for freight insurance. London became a centre for corporations or individuals prepared to sponsor cargo ship and commercial trade enterprises. Lloyd's of London, one of the city's largest insurers, is still active in the insurance sector.

The origins of modern insurance may be linked back to the Great Fire of London in 1666. Following the destruction of almost 30,000 homes, a man called Nicholas Barbon established a building insurance company. Later, he established the city's first fire insurance firm. Accident insurance was introduced in the late 1800s and was quite similar to present disability coverage.

In order to provide protection for fires, the first insurance business in American history was founded in South Carolina in 1732. In the 1750s, Benjamin Franklin established a business that solicited donations in an effort to stop destructive fires from damaging structures. Insurance firms developed during the 1800s, adding life insurance and a few other types of protection. Before the 1930s, no insurance was required in the United States. Social Security was established by the government at that time. GI insurance first appeared in the 1940s. It made it easier for women whose husbands lost their lives in World War II combat to cope financially. The necessity for auto insurance didn't become critical enough to warrant action that made it compulsory until the 1980s. Even though the insurance industry is well-established, it is currently changing and will continue to do so in the years to come to meet the changing needs of consumers. (Thompson, 2022)

3.2 Evolution of Motor Insurance Market in Myanmar

In order to award licenses for either a general insurance business license or a life insurance business license, the Insurance Business Regulatory Board requested expressions of interest from companies with Myanmar ownership on January 25, 2021.

With the launch of foreign-Myanmar life and general insurance joint ventures and 100% foreign-owned life insurance companies over the past few years, the insurance industry in Myanmar has experienced significant changes. The industry is also anticipating the passage of the new Insurance Business Law, which will bring Myanmar's insurance regulations completely up to date.

There are 24 insurance companies operating at the moment in Myanmar, with a total capital value of USD 152.1 million. The current situation of foreign investment in the industry is summarized below. Three foreign-Myanmar joint ventures—AYA Myanmar General Insurance Company and Sompo Japan Nipponkoa Insurance, Grand Guardian General Insurance Company and Tokio Marine, and IKBZ Insurance Company and Mitsui Sumitomo Insurance Company—have received general insurance business licenses. (Taylor, 2021)

These market participants display some or all of the following characteristics when examined more closely:

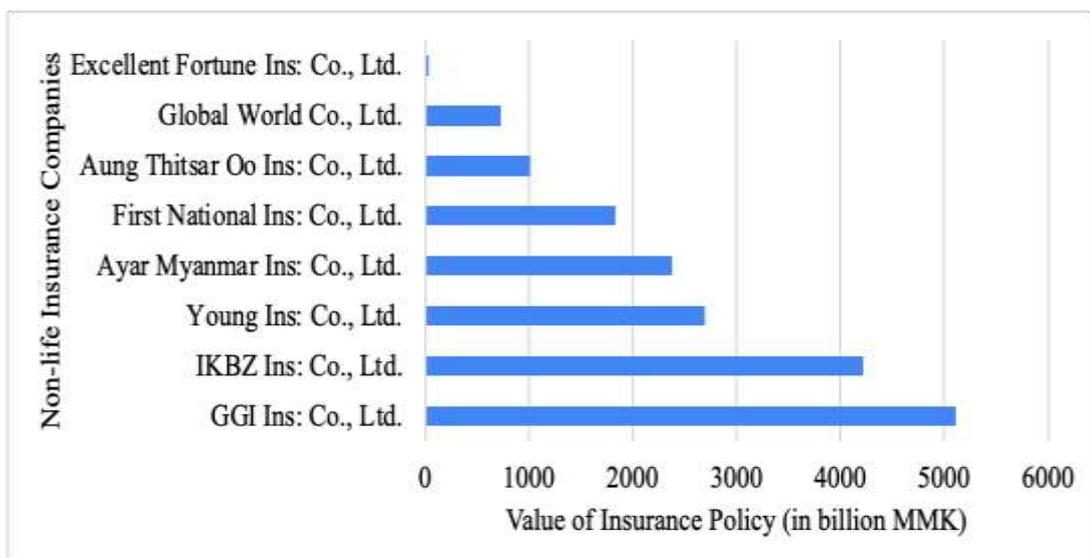
- Captive business: Cross-selling opportunities are good in the conglomerate group's other businesses, particularly for motor, fire, and group term life insurance.
- Distribution channel – Bank: Banks are a part of the conglomerate groups of three of the top four market players.
- Advanced preparation: For these market participants, the preparation work started long before their June 2013 launch date. This includes everything from visiting foreign insurance companies, branding, hiring, training employees, creating IT systems from scratch, and even building a brand-new building to accommodate the new insurance company. (Myanmar: A glimpse into the market's insurance potential, 2014).
- Dedicated workforce: The young workforce in Myanmar has a level of commitment that is uncommon in the majority of the markets in the region. Most of the young workforce consists of graduates from the universities, some of whom have a multiple years of work experience in fields unrelated to insurance. They are eager to learn and are fueled by curiosity.
- Lots of training: The workforce must first be trained and educated about insurance and business ethics in general because Myanmar was limited to the outside world for 50 years and most people here have never used insurance. All

levels of staff received training in topics like conversational English, time management, productivity, and personal grooming. (Kua, 2014)

At the time of vehicle license renewal, every car in Myanmar is required to have third-party liability insurance from Myanma Insurance. In the event that a motorized vehicle is to blame for the death of a third party, the cost is only about \$10 to \$15, and the payout is only about \$1,500. Only after the insurance industry was liberalized in 2013 did comprehensive coverage for cars become widely accessible.

The COVID-19 pandemic had a significant negative impact on the insurance sector in Myanmar as it continued the liberalization process that had begun in 2019, especially during Q2 2020 when the first wave of the pandemic hit Myanmar. As elsewhere, the volume of insurance premiums significantly decreased. This came after a strong (80%) increase in motor insurance premiums in 2018 and 2019. Additionally, the number of policies and total revenue from insurance premiums have decreased for both state-run and private insurance companies in the life and non-life insurance sectors. The total value of premiums for foreign-owned joint venture life and general insurance increased by 82.6 percent and 71.6 percent, respectively, between the fourth quarter of 2019 and the first quarter of 2020. Non-life, however, fell precipitously by 67.2 percent in the second quarter of 2020, and overall fell by 25.97 percent.

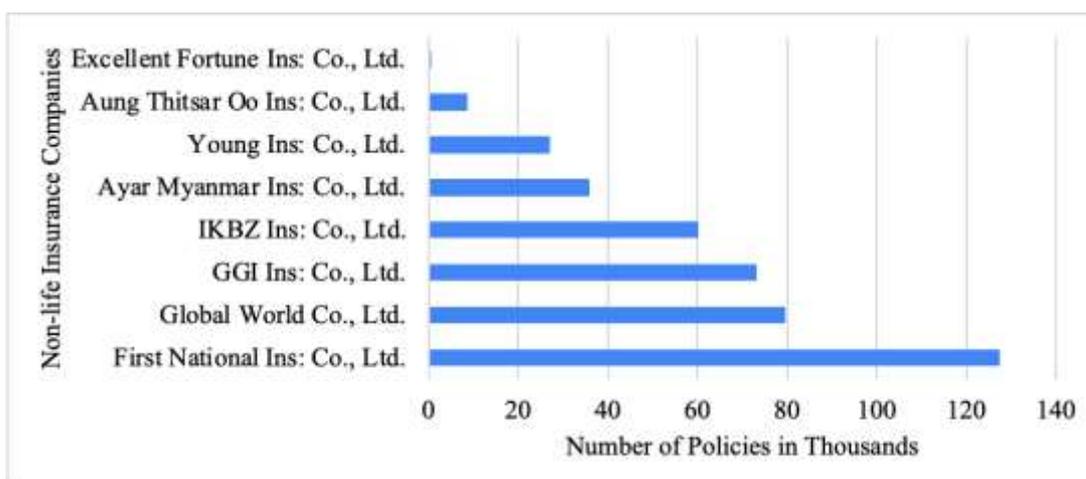
Figure (3.1) Leading Non-life Insurance Companies in Myanmar as of 2019 by Policy Value



Source: Ganbold, Leading non-life insurance companies Myanmar 2019, by policy value, 2022

The highest insurance policy value, totaling roughly 5.1 trillion Myanmar Kyats as of 2019, was held by GGI Insurance Company Limited, one of Myanmar's top non-life insurance providers. IKBZ Insurance Company Limited and Young Insurance Company Limited came in second place with 4.2 trillion Myanmar Kyats each. The graph above demonstrates that one of the main economic contributors to the nation is the insurance sector.

Figure (3.2) Leading Non-life Insurance Companies in Myanmar as of 2019 by Number of Policies



Source: Ganbold, Leading non-life insurance companies Myanmar 2019, by policy value, 2022

As of 2019, First National Insurance Company Limited had the most insurance policies among the top non-life insurance providers in Myanmar, with a total of about 127.4 thousand policies. Then came GGI Insurance Company Limited and Global World Insurance Company Limited.

Due to its infancy, foreign-owned 100 percent life insurance has remained small in the first half of FY20, both in terms of total premium value and the number of policies. The COVID-19 lockdown, which imposed significant travel restrictions across the nation and severely affected all three of the major distribution channels for insurance products—independent agents, bank-tied sales, and walk-ins at branches—may account for a significant portion of the decline during Q2 2020. (Myanmar Economic Monitor, Dec 2020) (Hans Anand Beck, Faya Hayati, Kim Alan Edwards, Thi Da Myint, Fang Guo, Thanapat Reungsri, Aka Kyaw, 2020)

The recent announcement that private insurers would no longer be covering risks associated with war or warlike situations shook the insurance industry. Private

general insurances choose to avoid dealing with acts of terrorism, which some of them may have initially supported, rather than adapting through higher premiums. People now flocked to Myanma Insurance as their saviour if they wanted protection against terrorism, war, and unrest. At the end of the day, the sector is still one that requires a license to operate, and as such, it is anticipated to be fruitful, at least over the long term. (Greene, 2023).

3.3 Regulatory Framework

For policyholders to feel confident purchasing insurance products, regulation is essential. The ability of insurers to operate successfully and sustainably and to offer the insurance products that people and businesses want to buy, however, can be seriously hampered by improper regulation. It is crucial to ensure that the regulations support a healthy private insurance sector given the backdrop of rising public debt and aging populations in developed economies, which puts pressure on state social welfare and taxation systems.

The regulatory environment in which businesses operate frequently influences how they develop their products and set their prices. Unsuitable regulations for a particular company's operations may have an impact on that company. International organizations may be impacted by regulatory environment inconsistencies, which may even result in corporate restructuring. (How Insurance Work, 2012).

The Myanmar Insurance Law of 1993, which governs Myanma Insurance's third-party liability insurance policies, and the Insurance Business Law of 1996, as amended in 2015, which governs the private insurance industry, are the two primary laws that currently govern the insurance industry in Myanmar.

3.3.1 Myanma Insurance Law (1993)

The law governing insurance, including insurance policies and claims, is codified in Myanmar Insurance Law (1993). Regulation of the insurance business, regulation of insurance policy provisions, particularly with regard to consumer policies, and regulation of claim handling practices can be broadly divided into these three categories. This Law creates the Myanmar Insurance as a perpetual succession legal person with the right to sue and be sued in its own right.

The Myanmar Insurance is established with the following aims: -

- (a) to overcome financial challenges by collective agreement on insurance against financial and social harm that individuals may face as a result of common risks.
- (b) to encourage individuals to save by providing life insurance, so contributing to the State's resource build-up.
- (c) to gain people's faith and confidence in the insurance system through offering adequate insurance protections that may become essential as a result of social and economic events.

3.3.2 Insurance Business Law (1996)

Insurance business law is established:

- (a) to assist for the establishment of the framework of market economy of the country.
- (b) to attract both international and domestic investments.
- (c) to pave the way for private-sector insurance, underwriting agency, or insurance brokerage businesses.
- (d) to gain the people's faith and confidence in the insurance industry by offering the different insurance coverages that may be necessary in line with the country's overall growth.
- (e) to make insurance technology and business develop and be exceptional.

Its regulations set out the following basic regulatory principles:

- formation of the IBRB;
- establishment and licensing: public or private limited companies must obtain a licence from the IBRB before operation;
- capital, deposit, reserve, and funds requirement;
- restriction on licence transfer;
- approval requirement for policy and premium;
- liabilities of insurers, underwriters, and brokers;
- auditing;
- liquidation;
- administrative actions; and
- penalties for non-compliance

All private insurers are administered by the Insurance Business Law, whereas government-owned insurers are ruled by the Myanmar Insurance Law. IBRB Directive 4/2020 is the first regulation that reinsurers must follow. The latest Insurance Business Law is likely to result in additional regulations for insurers and reinsurers. Insurance and reinsurance contracts are not governed by Myanmar's insurance laws. Before insurance companies can offer their products for sale to the general public, the IBRB must approve the insurance policies, regulations, terms, and premium structures. The proposed Insurance Business Law won't change this. (Oo, 2022)

Typically, an insurance claim against the insurer can only be submitted by the insured or beneficiary named in the policy. The third-party victim may file a claim for indemnity directly with Myanmar Insurance in accordance with the third-party liability insurance regulations for motor vehicles. The Insurance Business Law (The Insurance Business Law, Myanmar, The State law and Order Restoration Council Law No.6/96, 1996) lays out the third-party claims processes for life insurance death claims. The claim will be compensated to the beneficiary's parents, legal guardian, or adoptive parents if the beneficiary is a minor. The claim will be compensated in the below order if the beneficiary passes away prior to the assured and the assured hasn't transferred the benefits' title:

- Husband or wife.
- Children.
- Grandchildren.
- Brothers and sisters.
- Parents.

3.3.3 Third-Party Liability Insurance

To protect the public from certain risks, which are becoming more significant as motor fleet size and power increase, third-party liability insurance was made mandatory. The Myanmar government was required to establish the rules under the insurance law and implement the necessary insurance systems in order to protect the injured victims of motor vehicle accidents. The Compulsory Motor Third-Party Liability (MTPL) Insurance Rules were revised by the Ministry of Finance and Revenue in accordance with the authority granted by subsection 41 of the Myanmar Insurance Law and with the approval of the cabinet meeting 14/2003 held on May 2, 2003 by the Government of the Union of Myanmar.

These rules replace the 1976 Pyithu Hluttaw Rule No. 4 Compulsory MTPL Insurance Rules. 30 With third-party liability insurance, the insured's legal responsibility to pay damages for death, bodily harm, or property damage brought on by a motor vehicle is transferred to the insurer. The term "motor vehicle" refers to any machine or vehicle that can be propelled to move using mechanical, electrical, or other power, including trains, vessels, motor vehicles, aircraft, tractors, motor cycles, motor bicycles, graders, bulldozers, and excavators, roller-machines, cranes, etc. To enable the Myanma Insurance to carry out the requirements of these Rules, the Ministry of Finance and Revenue has the right to establish and designate a necessary body. With the Ministry of Finance and Revenue's approval, Myanma Insurance has the authority to set and modify the premium rate, rate of indemnity, and rate of fine for third-party liability insurance.

Prior to 1998, Comprehensive Motor Insurance only began to cover own damage; however, as time went on, Comprehensive Motor Insurance also began to cover third-party liability. All registered private, business, public, or government vehicles as well as construction equipment like a dozer, grader, crane, as well as motorcycles, ambulances, etc., may be covered by this policy. Since 1996, Comprehensive Motor Insurance Policies have been offered in foreign currencies, in line with Myanmar's transition to a market economy. As part of a reinsurance program, the Comprehensive Motor Insurance Policy's foreign currency underwriting is handled by a foreign insurance company. Since 1998, premium comprehensive auto insurance has been offered in local currency.

The indemnity under this policy was set at 100,000 Kyat for each third party and insured. In 2008 and 2009, the indemnity amount for death was raised to Kyat 300,000 and Kyat 900,000, respectively. In 2008 and 2009, the indemnity amount for death was raised to Kyat 80,000, Kyat 240,000, and Kyat 720,000, respectively. The maximum amount of liability for wrongful death, personal injury, and property damage to third parties is Kyat 15,000,000 for any one incident. The holder of any policy with Myanma Insurance in relation to any additional automobile or vehicles will only be eligible for compensation under one policy. The comprehensive motor insurance premium set by Myanma Insurance was introduced with the bonus-malus system (also known as the "no claim bonus"), and the premium and claim payment are updated and modified on a regular basis. However, due to the high premium rate, only 3% of all registered motor vehicles are covered by this policy. (Win Aung Tun, 2019)

3.3.4 Protocol 5 – ASEAN Scheme of Compulsory Motor Vehicle Insurance

According to Protocol 5, the ASEAN nations must enact a Third Party Liability Insurance Scheme that will cover any deaths, physical injuries, and/or property damages caused by a road transit transport vehicle. The insurance policy that is issued should be able to offer the aforementioned coverage in all of the countries through which the vehicle will travel, including the return trip, beginning in the country of origin and continuing through all transit countries. Nine implementing protocols make up the Framework Agreement, of which Protocol 5—the ASEAN Scheme of Compulsory Motor Vehicle Insurance—was signed in April 2001. As of December 2002, Protocol 5.6 had been ratified or accepted by eight of the Member States, namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Singapore, Vietnam, and Thailand. This Protocol was developed in response to the need to make provisions for compensating individuals for losses they may have incurred as a result of accidents involving transit transport operators and/or road transit transport vehicles. (Ministry of Planning and Finance, n.d.).

According to the GMS Cross-Border Transport Agreement and the ASEAN Framework Agreement on the Facilitation of Goods in Transit, cross-border vehicles must be available for transporting goods not only to ASEAN nations but also to China and India. At cross-border checkpoints in Myanmar like Tamu, Myawaddy, Tachilek, and Muse, third party compulsory coverage is offered. We are now implementing this policy for entry into China and India as well. The implementation of Protocol-5 will begin once the Blue Card has been ratified by all ASEAN nations, and Myanmar has now completed the ratification process. Although Myanmar is not currently a part of the ASEAN Insurance Council (AIC), the country is working to establish the Myanmar Insurance Council first before joining the AIC. Myanmar is currently offering insurance coverage in transit areas and are attempting to sell insurance coverage online. Web-based (Electronic Underwriting) will be used to prevent the use of the Blue Card for fraud, and we are working to make sure that transit areas have a good connection.

At cross-border checkpoints, customers must present the vehicle's documentation, including the owner book, wheel-tax, and a valid driver's license, in order to purchase TPL Insurance Cover. When the vehicle enters Myanmar, the insurance coverage will begin, and the duration will be one month. The insurance is no longer valid after leaving Myanmar, and a premium would be charged if it returned. Myanma Insurance has offered to join forces with the appropriate departments to

implement inspection at cross-border checkpoints. Annual policies will be made available to regular customers in the future in place of short-term policies. Currently, Myanmar offers mandatory insurance coverage, but not voluntary insurance coverage. Myanmar is attempting to meet the deadline for Protocol-5 implementation by preparing not only the agreements with other members but also the demands for technical assistance. The premium is determined by the type of vehicle (small, medium, or large), and it is calculated in Kyats, which are worth 3,000, 5,000, and 7,000 in Myanmar currency, respectively. (Ministry of Planning and Finance, n.d.)

The head office of Myanma Insurance was visited by the Thai General Insurance Association (TGIA) on December 14th, and an agreement was made between the two nations to provide cooperation for cross-border vehicles. On 12 March 2019, a Memorandum of Understanding (MoU) for cooperation on cross-border motor vehicle insurance underwriting and claim settlement services was signed by Myanma Insurance, Road Victim Protection (RVP) Company based in Thailand, and Thai General Insurance Association TGIA.

CHAPTER 4

ANALYSIS ON THE BUYING BEHAVIOUR OF MOTOR INSURANCE IN YANGON

4.1 Survey Profile

741,370 units of Myanmar Motor Vehicle Registered Cars were reported in July 2022. From the previous figure of 738,604 Unit for June 2022, this represents an increase. Data on Myanmar Motor Vehicle Registered Cars is updated on a monthly basis and has 211 observations between Jan 2005 and Jul 2022, averaging 393,201 Unit. The information peaked at 741,370 Unit in July 2022 and fell to a record-low 187,354 Unit in May 2005. The Ministry of Planning and Finance reports Myanmar Motor Vehicle Registered Car data, which is still active status in Census and Economic Information Centre (CEIC) (Myanmar Motor Vehicle Registered: Cars, 2022).

Table (4.1) Registered Motor Vehicles by Type in Yangon and other Areas

Type of Vehicle	Location	Period				
		2015	2016	2017	2018	2019
Passenger	Yangon	325,963	331,786	331,782	344,132	355,589
Truck (Light Duty)	Yangon	124,245	129,169	130,960	132,405	123,757
Truck (Heavy Duty)	Yangon	17,675	17,379	17,729	16,496	13,644
Bus	Yangon	15,543	14,756	15,293	17,914	16,411
Total	Yangon	483,426	493,090	495,764	510,947	509,401

Source: Registered Motor Vehicles by type in Yangon and other areas, 2022

To analyze the purchasing habits of motor insurance policies, a survey is therefore carried out in the Yangon area using responses from owners of passenger cars.

4.2 Survey Design

The analysis of the motor insurance purchasing behavior in Yangon is based on the variables that affect the decision to buy motor insurance. A sample survey was conducted using the Appendix (B) questionnaire to gather the necessary data in order to enforce the study's objectives.

Based on the number of passenger car owners in 2019, the population size was 355,589 (Myanmar Statistics, 2019). The sample size was calculated by using the Taro Yamane Formula as follows:

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

Where:

n = the sample size

N = the population size

e = the acceptable sampling error/ level of precision (95% confidence level and p = 0.6 are assumed)

Substitute number in formula:

$$n = \frac{355,589}{1 + 355,589 \times (0.6)^2}$$
$$n = 278$$

The Yamane formula was used to determine the sample size, and 277.775695 people were included in the sample. To improve the reliability of the data, the sample size has been increased to 321 individuals.

Through an online questionnaire survey, 321 respondents who have purchased or are considering purchasing auto insurance were used to gather the data. The questionnaire was sent to about 1,000 people via mail and social media. The gathered data is analyzed using descriptive research. The questionnaires used for this analysis comprised four main parts:

- (1) Demographic data of the respondents,
- (2) Current knowledge about motor insurance,
- (3) Past experience in buying motor insurance, and
- (4) Factors influencing their purchase decision in buying motor insurance

Sections (1) to (3) of the questions are closed questions. In the last section, the questions are calculated on a three-point Liker scale (first not important to 3rd important). The descriptive statistics was applied by using SPSS to determine measures of demographics, motor insurance awareness, previous experience with motor insurance and purchase decision.

4.3 Survey Result

4.3.1 Social Characteristics of Respondents

Finding out the characteristics of the study's respondents is the first step in the analysis process. Based on background knowledge of the individual traits associated with consumer purchase decisions, a social characteristic of the respondents is developed. First, the profiles of 321 respondents are identified. These profiles include general data like gender, age, income, education, occupation, and marital status. The summary table of demographic characteristics is used to more clearly display these data, which has been examined for each characteristic in terms of absolute value and percentage. The summary table of respondents' demographic characteristics is shown in Table (4.2).

Table (4.2) Social Characteristic of Respondents

Respondents		No. of Respondents	Percentage
Gender	Male	178	55.5%
	Female	143	44.5%
Marital status	Single	98	30.5%
	Married	223	69.5%
Age (years)	Between 20 - 30	22	6.9%
	Between 31 - 40	162	50.5%
	Between 41 - 50	80	24.9%
	51 and above	57	17.8%
Education levels	Undergraduate	3	0.9%
	Graduate	178	55.5%
	Postgraduate	140	43.6%
Occupational levels	Self employed	88	27.4%
	Employee	175	54.5%
	Government servant	48	15%
	Retiree	3	0.9%
	Dependent	7	2.2%

Table (4.2) Social Characteristic of Respondents (Continued)

Respondents		No. of Respondents	Percentage
Income (per month)	Less than 1,000, 000 kyats	77	24%
	Between 1,000,000 to 2,000,000 kyats	78	24.3%
	Between 2,000,000 to 3,000,000 kyats	79	24.6%
	Above 3,000,000 kyats	87	27.1%

Source: Survey Data 2023

The percentage of male respondents is just slightly higher than that of female respondents in this survey due to the gender distribution. It was discovered that 30.5% of people are single, 69.5% are married, and 72% of married people have previously purchased auto insurance. 50.5% of people aged 31 to 40 responded. Age between 41 and 50 was followed with 24.9% of the total. The respondents' ages are broken down into four ranges: between 20 and 30; between 31 and 40; between 41 and 50; and above 50. In the age group of 31 to 40 who responded, 72.8% had previously purchased automobile insurance.

In addition, most of the respondents are educated with higher education and who are either employees of private companies or self-employed since Yangon is a cosmopolitan city of Myanmar. Among the respondents, the level of earnings per month is distributed almost equally for the three categories below 3million kyats (< 1 million with 77 respondents, between 1 million to 2 million with 78 respondents and between 2 million to 3 million with 79 respondents respectively.

4.3.2 Knowledge about Motor Insurance

This section of the survey examines the respondents' knowledge of the motor insurance options available in Myanmar as well as the sources they used to become familiar with this topic.

Table (4.3) Knowledge about Motor Insurance

Multiple Choice	No of Respondents	Percentage
Do you know about the Motor Insurance Products available in Myanmar?		
Yes	307	95.6%
No	14	4.4%
How did you learn about Motor Insurance Products available in Myanmar?		
Social Media	84	26.2%
News	18	5.6%
Another Person	19	5.9%
Advertisements made by Motor Insurance Companies	49	15.3%
All of the above	151	47%
Do you know about the Motor Insurance Products as below?		
Compulsory Motor Insurance – Third Party Liability Insurance	72	22.4%
Voluntary Motor Insurance – Comprehensive Motor Insurance	83	25.9%
Both	166	51.7%

Source: Survey Data 2023

It's interesting to learn from the survey that 95.6% of respondents are familiar with Myanmar's motor insurance options. The majority of survey participants, 47% (151 people), learned about motor insurance through social media, the news, someone they know, and advertisements by the motor insurance companies. Among the 321 respondents, social media is the strongest channel for the high awareness of the motor insurance products, followed by other methods of advertisements made by motor insurance companies throughout Yangon. As a result, 83 people (25.9%) and 166 people (51.7%), respectively, were more aware of the comprehensive motor insurance, which is sold primarily by private motor insurance companies, in Myanmar. This also implies that even though third-party liability insurance is required for car owners to purchase at the time of vehicle licensing, those owners are not fully aware of their motor insurance policy.

4.3.3 Purchase Experience of Motor Insurance in Yangon

This section of the survey examines respondents' prior motor insurance purchases in Myanmar as well as the factors that led them to choose either third-party liability or comprehensive coverage.

Table (4.4) Purchase Experience of Motor Insurance in Yangon

No.	Reason for purchasing Motor Insurance in Yangon	No. of Respondents	Percentage
1	To transfer the financial risks arising from the traffic accidents	157	49%
2	Strongly influenced by someone you know	2	1%
3	Because it is compulsory when you purchase a car	27	8%
4	Satisfied the customer service of the agent or the motor insurance company	12	4%
5	Motor insurance product met the benefits you were looking for	27	8%
6	Convenient to purchase the motor insurance at your location	3	1%
7	Promotion offered by the motor insurance company	3	1%
8	Easy to apply for the motor insurance policy	9	3%
9	Others	81	25%

Source: Survey Data 2023

The graph above makes clear that almost half of the sample population purchased motor insurance policies in order to transfer financial risks associated with potential traffic accidents. The next 10% each purchased policies because third party liability insurance was required at the time of purchasing car insurance and because the benefits provided by motor insurance met the customers' needs, respectively, at 27 respondents. Furthermore, since convenience, ease of policy application, and location availability to purchase motor insurance were the lowest percentage of all the reasons to purchase, accounting for only 1 to 3% with 3 to 9 respondents, it could be said that these factors did not significantly influence respondents' past purchasing behaviour.

Table (4.5) Purchase Experience of Motor Insurance in Yangon with Gender and Marital Status (cross tabulation)

No.	Particulars	Gender		Marital Status	
		Male	Female	Single	Married
1	To transfer the financial risks arising from the traffic accidents	83	74	50	107
2	Strongly influenced by someone you know	1	1	0	2
3	Because it is compulsory when you purchase a car	11	16	8	19
4	Satisfied the customer service of the agent or the motor insurance company	4	8	1	11
5	Motor insurance product met the benefits you were looking for	19	8	8	19
6	Convenient to purchase the motor insurance at your location	3	0	1	2
7	Promotion offered by the motor insurance company	2	1	2	1
8	Easy to apply for the motor insurance policy	6	3	2	7
9	Others	49	32	26	55

Source: Survey Data 2023

It was discovered that married people are more willing to share the financial risk associated with traffic accidents than single people. As newlyweds made family plans, they used banks to purchase cars, making insurance a necessary purchase. The second highest score in this table belongs to the motor insurance product, which met your needs in terms of benefits. People who are married and men discover the product that suits their needs. One of the selling points for customers might be the ability to customize products.

Table (4.6) Purchase Experience of Motor Insurance in Yangon with Age (cross tabulation)

No.	Particulars	Age			
		20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old
1	To transfer the financial risks arising from the traffic accidents	10	75	46	26
2	Strongly influenced by someone you know	0	2	0	0
3	Because it is compulsory when you purchase a car	0	15	9	3
4	Satisfied the customer service of the agent or the motor insurance company	1	2	4	5
5	Motor insurance product met the benefits you were looking for	2	17	4	4
6	Convenient to purchase the motor insurance at your location	1	2	0	0
7	Promotion offered by the motor insurance company	0	2	1	0
8	Easy to apply for the motor insurance policy	1	3	2	3
9	Others	7	44	14	16

Source: Survey Data 2023

Age distribution also reveals how people think about insurance. Ages between 31 and 40 and 41 and 50 were more likely than other age groups to transfer the financial risks associated with traffic accidents. It demonstrates how those two age groups intend to ensure that risks are calculated and use insurance as a tool in risk management. Ages 31 to 40 demonstrated high scores in it is required when you buy a car. This age group buys cars with a higher purchasing system. This age group has practiced money management and has a steady income.

Table (4.7) Purchase Experience of Motor Insurance in Yangon with Income per month (cross tabulation)

No.	Particulars	Income in kyats (per month)			
		<1mil	1mil - 2 mil	2mil - 3mil	>3mil
1	To transfer the financial risks arising from the traffic accidents	43	42	29	43
2	Strongly influenced by someone you know	0	0	0	2
3	Because it is compulsory when you purchase a car	2	9	6	10
4	Satisfied the customer service of the agent or the motor insurance company	5	3	2	2
5	Motor insurance product met the benefits you were looking for	7	8	3	9
6	Convenient to purchase the motor insurance at your location	1	1	0	1
7	Promotion offered by the motor insurance company	1	1	1	0
8	Easy to apply for the motor insurance policy	1	2	3	3
9	Others	17	25	22	17

Source: Survey Data 2023

It reveals that people of all income levels indicated that they almost equally consider transferring the financial risk associated with traffic accidents. It demonstrated that people of all income levels have ideas for transferring risk and can use insurance as a tool to manage their financial risk. Less than 1 million shoes were required at the lowest level when buying a car, which shows that few people in that range buy cars with bank loans or higher purchases.

Table (4.8) Purchase Experience of Motor Insurance in Yangon with Occupation (cross tabulation)

No.	Particulars	Occupation				
		Self-Employed	Employee	Government Servant	Retiree	Dependent
1	To transfer the financial risks arising from the traffic accidents	45	79	29	2	2
2	Strongly influenced by someone you know	0	2	0	0	0
3	Because it is compulsory when you purchase a car	7	16	3	0	1
4	Satisfied the customer service of the agent or the motor insurance company	4	3	5	0	0
5	Motor insurance product met the benefits you were looking for	8	14	3	0	2
6	Convenient to purchase the motor insurance at your location	2	1	0	0	0
7	Promotion offered by the motor insurance company	1	2	0	0	0
8	Easy to apply for the motor insurance policy	5	3	1	0	0
9	Others	16	55	7	1	2

Source: Survey Data 2023

Employees are most likely to purchase a car, which indicates that they are the group most likely to receive financial assistance from banks for doing so because of their employment status. Employees score higher than self-employed people and public servants in terms of transfer financial risk. Employees have a steady income and are free to allocate their funds to other uses.

Table (4.9) Purchase Experience of Motor Insurance in Yangon with Education (cross tabulation)

No.	Particulars	Education		
		Undergraduate	Graduate	Post Graduate
1	To transfer the financial risks arising from the traffic accidents	1	84	72
2	Strongly influenced by someone you know	0	2	0
3	Because it is compulsory when you purchase a car	0	9	18
4	Satisfied the customer service of the agent or the motor insurance company	0	6	6
5	Motor insurance product met the benefits you were looking for	1	15	11
6	Convenient to purchase the motor insurance at your location	1	2	0
7	Promotion offered by the motor insurance company	0	1	2
8	Easy to apply for the motor insurance policy	0	6	3
9	Others	0	53	28

Source: Survey Data 2023

Graduate and postgraduate students place a priority on transferring the financial risk associated with traffic accidents. Compared to graduate and undergraduate students, postgraduate students performed the best in the category that is required when buying a car.

In summary (refer to appendix D, table 1), it was found in the study that most of the respondents with higher education who are earning well tend to purchase the motor insurance to transfer the risks which will be impacted by the potential traffic accidents on the road. Moreover, they are also in the age range of 31 years old to 40 years old mostly and followed by the age group of 41 to 50 years old. Besides, most of the male respondents who are between 31 to 40 years old tend to buy the motor insurance based on the benefits they look for and male respondents are much more active in all categories as compared to their female counterparts.

4.3.4 Importance of the Attributes in Purchasing Motor Insurance Policy

The analysis of this section is crucial in encouraging customers to purchase a motor insurance policy and influencing how they react to the insurance companies' marketing strategies.

Table (4.10) Importance of the Attributes in Purchasing Motor Insurance Policy

No.	Attributes	Mean	Standard Deviation
1	Benefits offered by the Motor Insurance products	2.7	0.509
2	Premium rates	2.53	0.542
3	Availability of the products in your location	2.46	0.642
4	Promotions offered by the Motor Insurance Company	2.26	0.654
5	Service quality of the agents	2.75	0.456
6	Easy to apply for the Motor Insurance Policy	2.65	0.476
7	Claim Experience	2.73	0.464
8	Reputation of the Motor Insurance Company or the Agent	2.71	0.468
	Overall Mean	2.60	0.526

Source: Survey Data 2023

Result from the above table indicates that the highest importance level of mean values (2.75, 2.73, 2.71 and 2.7) are the service quality of the agents, the claim experience, the reputation of the Motor Insurance Company or the Agent, and the benefits offered by the Motor Insurance products. However, the importance of the rest of the attributes such as the premium rates, the availability of the products in the respondents' location, the promotions offered by the Motor Insurance Company seems below the average overall mean of 2.60 while the ease of applying the motor insurance policy is along the margin of the overall mean.

Cross Analysis on Attributes towards Buying Behaviour (Important)

The service quality of the agents, the reputation of the motor insurance company, the claim experience, and the benefits provided by the motor insurance

products were cited by both genders as being the most crucial factors in their decision-making. It is noteworthy that for all categories, married people make up the majority of those who believe those to be significant.

When we look at age group, it can be seen that benefits offered by the motor insurance products, service quality of the agent, easy to apply for the motor insurance policy, claim experience and reputation of motor insurance company are most important in their buying behaviour. In the income category, monthly salary less than 1 million kyats consider premium rates and availability of products in their location whereas the higher income groups favour more towards the service quality of the agent, benefits offered by the motor insurance products. We could see same trend in occupation category as well. When we look at education, graduate and post graduate respondents think that benefit offered by motor insurance produce, reputation, service quality of the agents and easy to apply are important for them (Appendix D, Table 2).

Cross Analysis on Attributes towards Buying Behaviour (Neutral)

Most male and female respondents thinks that availability of the products in their location, promotions offered by the motor insurance company and premium rates as neutral. Male think more neutral with promotion offered. It revealed married perceive neutral with promotion offered by the motor insurance companies, premium rates and availability of the products in location. Promotion offered seems to be most common neutral for age segment and same with income segment as well. Respondents work in government segment think easy to apply motor and premium rates are more neutral. Graduates are more neutral in promotion offered by the motor insurance than postgraduates.

Cross Analysis on Attributes towards Buying Behaviour (Not Important)

Males and married think that promotion offered by the motor insurance company is not important. Age between 31 to 40 thinks that availability of the products in your location and promotions offered by the motor insurance company are not important. Respondents who income more than 3 million think that promotion offered by the motor insurance company are not important. Respondents who income between 2-3 million think that availability of products in their locations is not important. Self -employed and employed staff think that promotion offered by the

insurance company is not important. It shows the same for graduate, post graduate and undergraduate as well. People don't buy insurance because of promotion. They buy because of reputation, benefits offered by the motor insurance, service quality of the agent and claim experience.

CHAPTER 5

CONCLUSIONS

At the moment, traffic accidents have increased along with the growth in vehicle numbers. Additionally, year over year, claims are being filed with insurance companies. All automobiles have a high revenue-to-operating ratio. Some insurance providers claim that premiums and indemnities are rising from 65% to 70%. Staff salaries and general expenses are a struggle for both the fund and the company. Additionally, insurance companies have the option to lower the coverage if all vehicles have comprehensive insurance. A premium for a car worth 10 million Kyats only costs about 100,000 Kyats per year. There is only 1% of the vehicle's cost. For the owner of the vehicle, the premiums for third-party liability, car damage, injury, and death are not very high. Thus, this type of insurance that should be bought by everyone who owns the vehicle.

5.1 Findings

This section of the study will present relevant findings that were revealed throughout the results of data. The research results obtained from the questionnaires with Likert scale items to collect the primary data and questionnaire was based on previous literature.

The 321 respondents who are from Yangon City and have primarily purchased auto insurance were chosen for this study. The majority of respondents to this study are in favor of shifting the financial risks associated with potential traffic accidents and third-party damages. Men and women made up nearly an equal number of respondents in terms of gender. The findings show that middle-aged people with medium to high income levels and educational levels are the most likely to already have a motor insurance policy or be interested in purchasing one.

Therefore, it can be said that the majority of people who own motor insurance policies are in their early 30s to 40s and have a specific occupation, particularly as independent contractors or self-employed people. Most of the respondents are

employed, making them all earners with sizable incomes by William Shakespeare's definition of life stages. The majority of respondents are graduates as measured by their level of education. It can be said that the majority of people with auto insurance are educated and at least somewhat familiar with risk reduction strategies. In addition, the majority of respondents say that when it comes to making a final decision to buy auto insurance, they are more influenced by the company's and the agents' reputation in the market than by other elements like discounts or premium costs.

In addition to the survey analysis and findings, the secondary data collected from the Myanmar insurance Agency (see figure 5) also show that most of the motor insurance policy holders purchased through the agents which amounts to 49% of the total sales in year 2022 followed by the direct distribution channel with 30% contribution. This data can in turn be interpreted that most of the buyers responded to the stimuli by the agents or the insurance companies more than other attributes that are studied above.

Based on the number of general policies sold between October 2021 to September 2022, which is published by Myanmar Insurance Agency (see figure 6), motor insurance is the second most popular insurance in Myanmar with 1.9 million policies sold after the health insurance with 2.3 million policies. This shows that people are more aware of the motor insurance due to the strong distribution channels in that aspect as compared to other types of insurance which are mostly available to be purchased directly from the insurer.

Based on the stimuli which are analysed in this study, the product and the reputation of both the agents and the insurance company from marketing mix components influenced the customers a lot to move forward in the purchasing process. Moreover, the environmental factors such as economic attributes of the community also played a big role in the purchasing process. Once those factors stimulated the motor owner, the purchasing process begins and the responses vary according to the social characteristics such as the age, income, marital status and the personal experience and values towards the solution the motor insurance will provide to each of the customer. Finally, the customer decides to respond to a specific product, motor insurance brand and the distribution channel available as studied above.

5.2 Recommendations

According to the findings, a general insurance agent is crucial in the decision to buy motor insurance. One of the unintended goods that consumers typically do not purchase on their own without prompting is insurance. Before selling insurance, insurance agents must educate the public about insurance. In addition, many owners of third-party liability insurance policies are unaware that they have this insurance policy in addition to their vehicle registration at the government office. Before deciding to purchase comprehensive motor insurance, which is primarily provided by private general insurers, consumers gather information about motor insurance from social media using smart phones with internet technology. Before purchasing motor insurance, consumers seek out the advice of the agent, who will also design and present a solution to address their most pressing needs and assist them in making the best choice.

Therefore, the most important stimuli in the insurance business is insurance agents' ability to establish a rapport with customers. It means that the agent's channel is important to educate and give recommendation which insurance plan is suitable for consumer's needs. Intermediaries sector mainly participate in the insurance industry to increase insurance awareness in public. Corporate agency, insurance agents, insurance brokers, and third-party administrators (TPA) are all intermediaries. Therefore, large quantity of intermediaries should be produced in the insurance market.

Finally, the insurance companies also need to look at the social characteristics and decision-making process of their target customer segments as well. The marketing mix designed to stimulate the potential buyers need to adapt to the values that those buyers are looking forward to receive from the product and services and to be available at the channels where customers are at.

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APPENDIX A

Questionnaire on Customer Buying Behaviour of Motor Insurance

Dear Sir/Madam

This survey questionnaire is to be used only for the research paper “**Customer Buying Behaviour of Motor Insurance in Yangon**” to submit as a partial fulfilment towards the degree of Executive Master of Public Administration (EMPA). The data would not be used for other purposes. Thank you very much for your contribution.

Estimated time-taken: 3 minutes

1. **General information** (Multiple choice)

Gender

- Male
- Female

Marital Status

- Single
- Married

Age

- Between 20 to 30 years old
- Between 31 to 40 years old
- Between 41 to 50 years old
- Above 51 years old

Income

- Less than 1,000,000 kyats
- Between 1,000,000 to 2,000,000 kyats
- Between 2,000,000 to 3,000,000 kyats
- Above 3,000,000 kyats

Occupation

- Self-employed
- Employee
- Government Servant
- Retiree
- Dependent

Education

- Undergraduate
- Graduate
- Postgraduate

2. Knowledge about Motor Insurance (Multiple choice)

Do you know about the Motor Insurance Products available in Myanmar?

- Yes
- No

How did you learn about Motor Insurance Products available in Myanmar?

- Social Media
- News
- Another Person
- Advertisements made by Motor insurance Company
- All of the above

Do you know about the Motor Insurance Products as below?

- Compulsory Motor Insurance – Third Party Liability Insurance
- Voluntary Motor Insurance - Comprehensive Motor Insurance
- Both

3. Purchase Experience of Motor Insurance in Myanmar (Multiple choice)

Have you ever bought a Motor Insurance before?

- Yes
- No

Which Distribution Channel did you purchased from?

- Directly from the Motor Insurance Company (eg. Myanma Insurance, AYA Sompo, FNI, GWI, etc.)
- Through Corporate Agents (eg. Banks)
- Through Individual Agents (eg. A friend working as individual of the Motor insurance Company)
- Others

Did you compare the premium rates of different Motor Insurance Companies before the purchase?

- Yes
- No
- Maybe

Did you check the Motor Insurance Companies' reputations or brand image before the purchase?

- Yes
- No
- Maybe

Reason for purchasing the Motor Insurance in Myanmar?

- To transfer the financial risks of traffic accidents
- Strongly influenced by someone you know
- Because it is compulsory when you purchased the car
- Satisfied the customer service of the agent or the motor insurance company
- The Motor Insurance Product met the benefits you were looking for
- It was convenient for you to purchase the Motor Insurance at your region.
- Promotion offered by the Motor Insurance Company
- Easy to apply for the Motor Insurance Policy
- Others

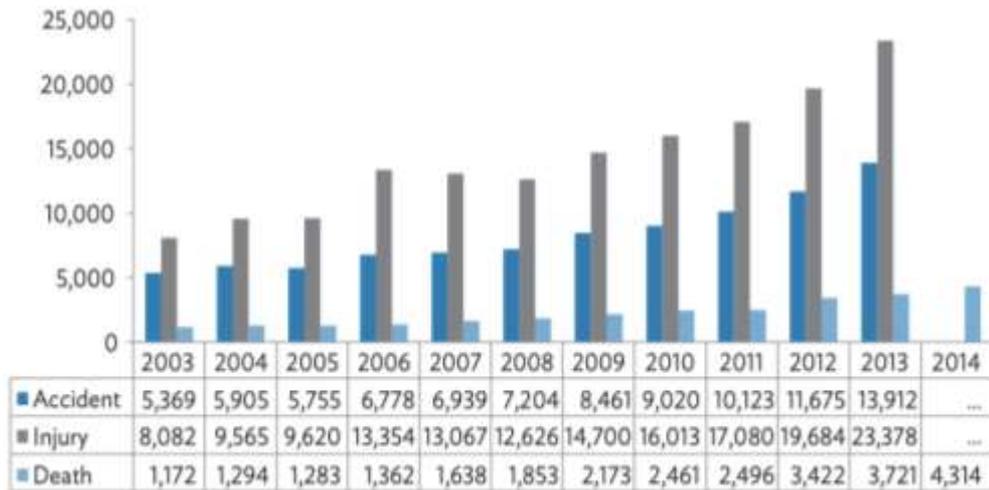
4. Please choose the rating for each of the statement using 3-point Likert Scale
(1 = not important; 2 = neutral and 3 = important)

Please rate how important it is for each of the attributes below for you in purchasing Motor Insurance Policy.

	Not Important	Neutral	Important
1. Benefit offered by the Motor Insurance products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Premium rates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Availability of the products in your location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Promotions offered by the Motor Insurance Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Service quality of the agent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Easy to apply for the Motor Insurance Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Claim Experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Reputation of the Motor Insurance Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX B

Figure 1: Road Accident Trends in Myanmar, 2003-2014



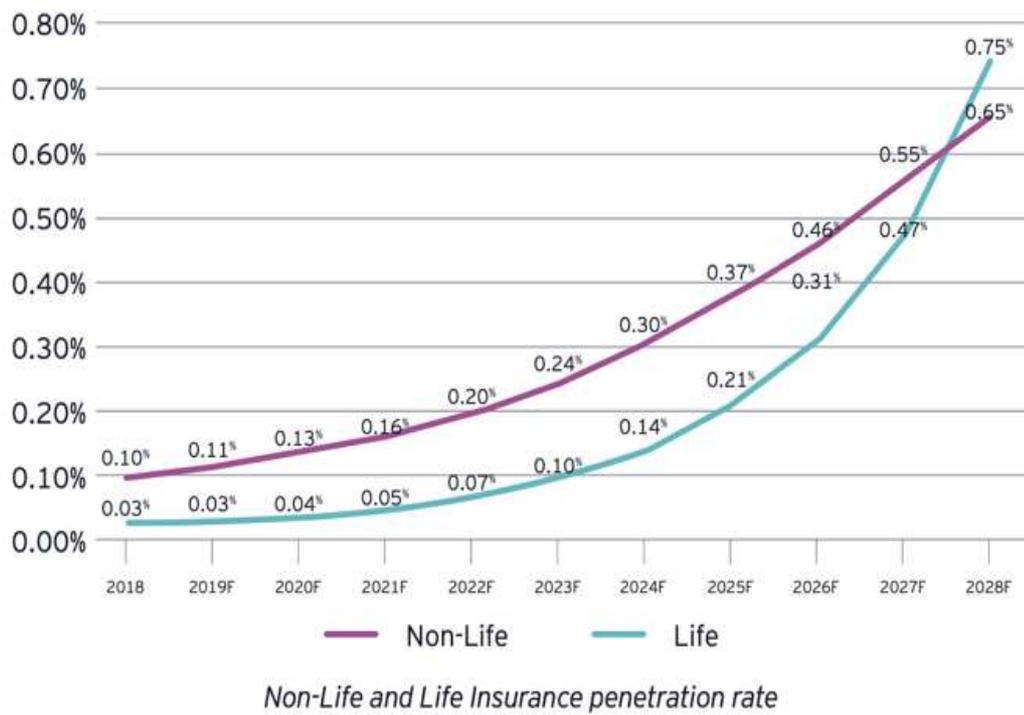
Source: Ministry of Transport and Communication, Myanmar, 2014

Figure 2: Road Accident Statistics in Myanmar from 2015 to 2021



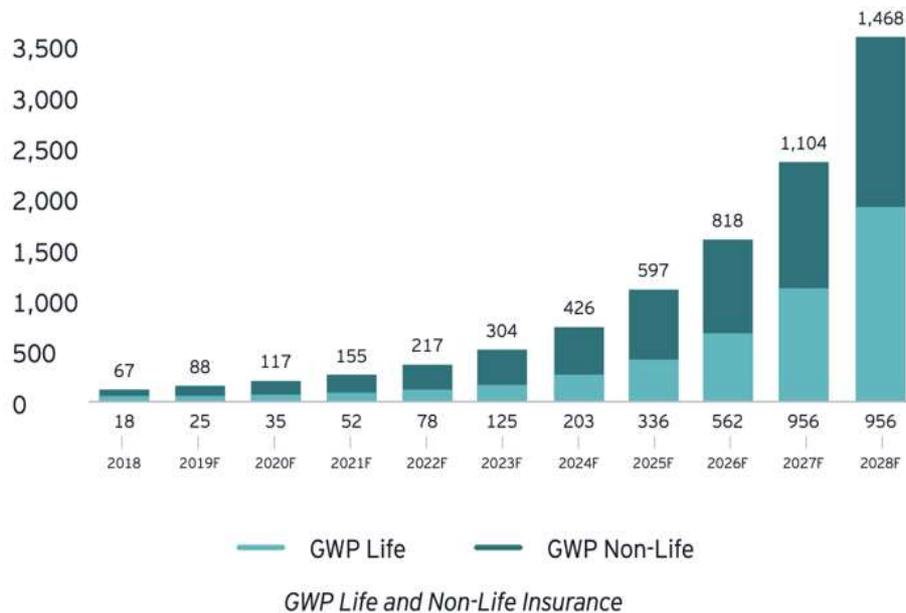
Source: Nwe Nwe Khin, 2022

Figure 3: Non-life and Life insurance penetration rate, (Ernst & Young, 2019)



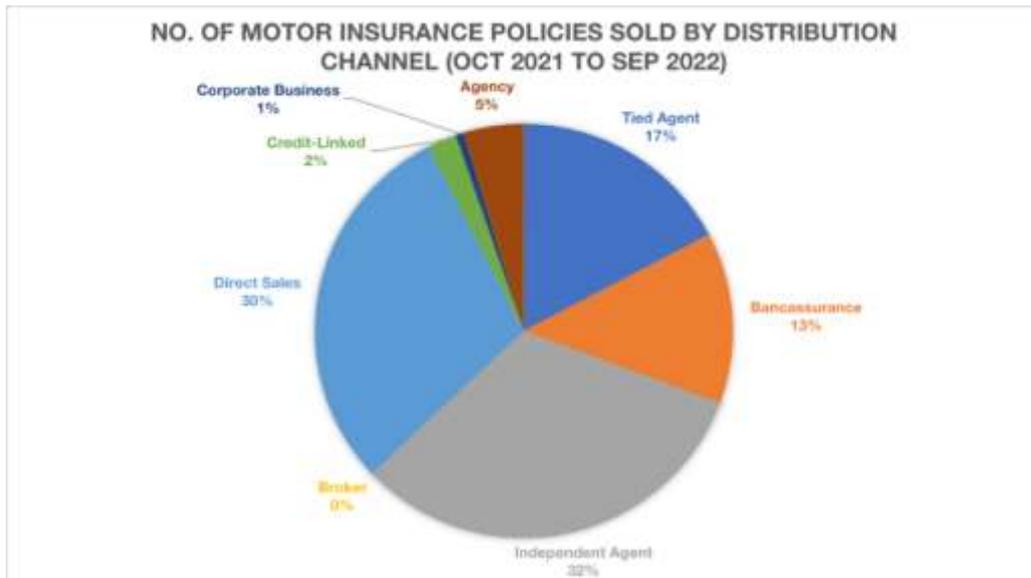
Source: Ernst & Young, 2019

Figure 4: Gross Written Premium (GWP) life and non-life insurance



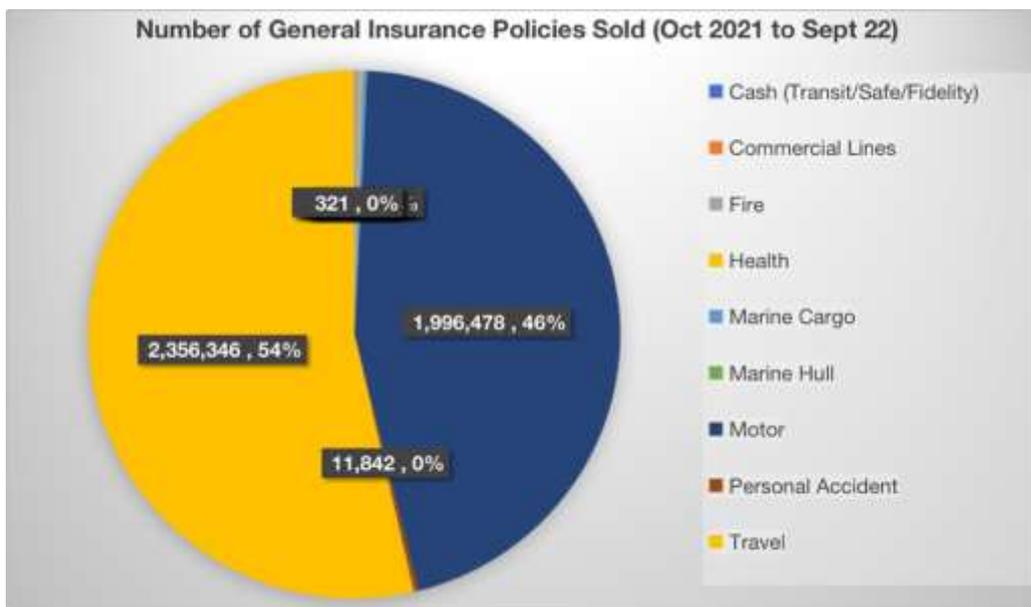
Source: Ernst & Young, 2019

Figure 5: Number of Motor Insurance Policies Sold by Distribution



Source: Myanmar Insurance Agency (2022)

Figure 6: Number of General Insurance Policies Sold



Source: Myanmar Insurance Agency (2022)

APPENDIX D

Table 1: Purchase Experience of Motor Insurance in Yangon (cross tabulation)

No.	Questions	No. of Respondents																			
		Gender		Marital Status		Age				Income				Occupation				Education			
		Male	Female	Single	Married	20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old	<1mil Kyats	1mil - 2 mil Kyats	2mil - 3mil Kyats	>3mil Kyats	Self- employed	Employee	Government Servant	Retiree	Dependent	Under- graduate	Graduate	Post Graduate
1	To transfer the financial risks of traffic accidents	83	74	50	107	10	75	46	26	43	42	29	43	45	79	29	2	2	1	84	72
2	Strongly influenced by someone you know	1	1	0	2	0	2	0	0	0	0	0	2	0	2	0	0	0	0	2	0
3	Because it is compulsory when you purchase a car	11	16	8	19	0	15	9	3	2	9	6	10	7	16	3	0	1	0	9	18
4	Satisfied the customer service of the agent or the motor insurance company	4	8	1	11	1	2	4	5	5	3	2	2	4	3	5	0	0	0	6	6

Table 1: Purchase Experience of Motor Insurance in Yangon (cross tabulation) (Continued)

No.	Questions	No. of Respondents																			
		Gender		Marital Status		Age				Income				Occupation				Education			
		Male	Female	Single	Married	20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old	<1mil Kyats	1mil - 2 mil Kyats	2mil - 3mil Kyats	>3mil Kyats	Self-employed	Employee	Government Servant	Retiree	Dependent	Undergraduate	Graduate	Post Graduate
5	Motor insurance product met the benefits you were looking for	19	8	8	19	2	17	4	4	7	8	3	9	8	14	3	0	2	1	15	11
6	Convenient to purchase the motor insurance at your location	3	0	1	2	1	2	0	0	1	1	0	1	2	1	0	0	0	1	2	0
7	Promotion offered by the motor insurance company	2	1	2	1	0	2	1	0	1	1	1	0	1	2	0	0	0	0	1	2
8	Easy to apply for the motor insurance policy	6	3	2	7	1	3	2	3	1	2	3	3	5	3	1	0	0	0	6	3
9	Others	49	32	26	55	7	44	14	16	17	25	22	17	16	55	7	1	2	0	53	28

Source: Survey Data, 2023

Table 2: Importance of the Attributes in Purchasing Motor Insurance Policy (Important)

No.	Questions	No. of Respondents																			
		Gender		Marital Status		Age				Income				Occupation					Education		
		Male	Female	Single	Married	20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old	<1mil Kyats	1mil - 2 mil Kyats	2mil - 3mil Kyats	>3mil Kyats	Self-employed	Employee	Government Servant	Retiree	Dependent	Undergraduate	Graduate	Post Graduate
1	Benefits offered by the motor insurance products	130	104	77	157	20	114	62	38	49	61	65	59	63	136	27	3	5	2	132	100
2	Premium rates	98	80	58	120	16	89	41	32	42	42	46	48	42	108	24	2	2	1	105	72
3	Availability of the products in your location	89	85	61	113	12	88	46	28	42	43	42	47	38	107	24	1	4	0	103	71
4	Promotions offered by the motor insurance company	63	57	44	76	11	55	32	22	29	27	34	30	27	67	23	2	1	0	71	49
5	Service quality of the agent	136	107	81	162	20	121	63	39	55	60	62	66	62	141	32	3	5	1	135	107
6	Easy to apply for the motor insurance policy	116	94	76	134	16	110	49	35	41	58	58	53	51	128	23	3	5	0	119	91
7	Claim experience	132	106	79	159	20	120	60	38	56	59	61	62	61	135	35	3	4	2	131	105
8	Reputation of the motor insurance company	133	97	77	153	20	114	57	39	49	62	58	61	55	140	27	3	5	0	133	97

Source: Survey Data, 2023

Table 3: Importance of the Attributes in Purchasing Motor Insurance Policy (Neutral)

No.	Questions	No. of Respondents																			
		Gender		Marital Status		Age				Income				Occupation				Education			
		Male	Female	Single	Married	20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old	<1mil Kyats	1mil - 2 mil Kyats	2mil - 3mil Kyats	>3mil Kyats	Self-employed	Employee	Government Servant	Retiree	Dependent	Undergraduate	Graduate	Post Graduate
1	Benefits offered by the motor insurance products	44	35	19	60	2	44	17	16	25	16	12	26	24	35	18	0	2	1	40	38
2	Premium rates	73	63	38	98	5	70	37	24	34	34	32	36	42	65	24	0	5	2	69	65
3	Availability of the products in your location	73	48	27	94	8	61	28	24	32	31	26	32	39	56	22	1	3	3	60	58
4	Promotions offered by the motor insurance company	86	77	45	118	7	86	40	30	38	41	42	42	44	91	21	1	6	2	87	74
5	Service quality of the agent	40	35	16	59	2	38	17	18	21	18	16	20	25	32	16	0	2	2	42	31
6	Easy to apply for the motor insurance policy	62	49	22	89	6	52	31	22	36	20	21	34	37	47	25	0	2	3	59	49
7	Claim experience	45	35	18	62	2	41	19	18	19	19	18	24	25	40	12	0	3	1	44	35
8	Reputation of the motor insurance company	44	45	21	68	2	46	23	18	28	16	20	25	32	34	21	0	2	3	43	43

Source: Survey Data, 2023

Table 4: Importance of the Attributes in Purchasing Motor Insurance Policy (Not Important)

No.	Questions	No. of Respondents																			
		Gender		Marital Status		Age				Income				Occupation				Education			
		Male	Female	Single	Married	20 - 30 years old	31 - 40 years old	41 - 50 years old	>50 years old	<1mil Kyats	1mil - 2 mil Kyats	2mil - 3mil Kyats	>3mil Kyats	Self-employed	Employee	Government Servant	Retiree	Dependent	Undergraduate	Graduate	Post Graduate
1	Benefits offered by the motor insurance products	4	4	2	6	0	4	1	3	3	1	2	2	1	4	3	0	0	0	6	2
2	Premium rates	7	0	2	5	1	3	2	1	1	2	1	3	4	2	0	1	0	0	4	3
3	Availability of the products in your location	16	10	10	16	2	23	6	5	3	4	11	8	11	12	2	1	0	0	15	11
4	Promotions offered by the motor insurance company	29	9	9	29	4	21	8	5	10	10	3	15	44	91	21	1	6	1	20	17
5	Service quality of the agent	2	1	1	2	0	3	0	0	1	1	0	1	1	2	0	0	0	0	1	2
6	Easy to apply for the motor insurance policy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Claim experience	1	2	1	2	0	0	0	0	2	0	0	1	2	0	1	0	0	0	3	0
8	Reputation of the motor insurance company	1	1	0	2	0	0	0	0	0	0	1	1	1	1	0	0	0	0	2	0

Source: Survey Data, 2023