

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

**A STUDY ON PUBLIC AWARENESS AND PERCEPTION OF
INSURANCE SERVICES IN MYANMAR**

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JULY, 2024

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A thesis submitted as a partial fulfillment towards the requirement for the degree of
Master of Public Administration (MPA)

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July, 2024

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ABSTRACT

The study explores public awareness and perception of insurance service in Myanmar. The research aims to investigate the degree of knowledge and perception of insurance firms' services in Myanmar, as well as to assess the service operations of insurance businesses. Descriptive methodology based on primary and secondary data is used in the research. 150 Master of Public Administration students from Yangon University of Economics provide data for the research. The study shows that the primary reason for not having insurance coverage among respondents is a lack of understanding about insurance services. Some respondents are used motor insurance service followed by health insurance, fire insurance, travel insurance and personal accident insurance. The study indicates that the respondents have a low level of knowledge about insurance services. Therefore, it is crucial for insurance companies to provide comprehensive information about their services to enhance public awareness and ensure that individuals can fully benefit from insurance coverage. According to the findings of the research, the insurance firm need to have development strategies that take into account the requirements of the consumers and their readiness to pay the regular premium rate. The government should provide the comprehensive knowledge about insurance which are legal and fair to consumers to the public.

ACKNOWLEDGEMENTS

First of all, I would like to express my gratitude to Professor Dr. Tin Tin Htwe, the Rector of Yangon University of Economics, for granting me permission and providing me with the opportunity to pursue my studies. I also want to express my appreciation to Professor Dr. Khin Thida Nyein, the Pro-Rector, and Professor Dr. Cho Cho Thein, the Pro-Rector of Yangon University of Economics, for their teaching, mentoring, and support my studies.

My special thanks are due to Professor Dr. Su Su Myat, Programme Director and Head of Economics Department of Yangon University of Economics, as well as all the instructors of MPA Programme, for their mentorship and for imparting their knowledge and understandings throughout my academic journey.

I want my gratitude to Dr. Khin Thu Thu Thein, Lecturer at the Department of Applied Economics, Yangon University of Economics, for her perceptive direction, support, and sharing invaluable knowledge that contributed to the completion of this thesis.

I would like to extend my gratitude to the professors, lecturers, and teachers who have enthusiastic their time and knowledge. Special thanks are to the administrative members, visiting lecturers, and colleagues of the Master of Public Administration Programme at Yangon University of Economics.

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LIST OF ABBREVIATIONS

AYA	Ayeyarwady Bank
CB	Cooperative Bank
DICA	Directorate of Investment and Company Administration
FNI	First National Insurance
FRD	Financial Regulatory Department
GGI	Grand Guardian Insurance
IBRB	Insurance Business Regulatory Board
KBZ MS	Kanbawza Mitsui Sumitomo
MI	Myanma Insurance
MIA	Myanmar Insurance Association
ROs	Representative Offices
USAID	United States Agency for International Development

CHAPTER I

INTRODUCTION

1.1 Rational of the Study

The insurance services are defined as a written legal contract accompanied by a set of associated services. These services consist of activities and/or benefits offered by one party to another, and are inherently intangible, not resulting in ownership of any physical item. Unlike other services, insurance services are complex and involve future contingent events, with significant legal characteristics (Khondkar and Rahman, 1993).

The insurance companies have must devised strategies to enhance the tangibility of their services. This involves boosting the efficiency of providers who are closely linked to their offerings, ensuring consistent quality despite variations, and enhancing demand and supply capabilities in light of the perishable nature of services. The provision of information, education, motivation, persuasion, advice, and other services before, during, and after the issuance of insurance policies sets apart the process of purchasing insurance from acquiring other products or services.

Kolter (1999) outlines five product levels that can help in recognizing and explaining the various levels of insurance services. The primary advantage of insurance is the assurance it provides against financial loss and risk management through service development. The fundamental service is a documented agreement in the shape of an insurance policy that safeguards against specific risks. This includes the processes of drafting the contract and the policy.

The anticipated service involves compensating claims in accordance with the insurance policy. Enhanced services could encompass guidance, tailored assistance, flexible terms and conditions, supplementary offerings, and automatic policy renewal. Potential services may involve extending financial support to clients by serving as a guarantor, opening Letters of Credit, and providing technical aid to mitigate risk.

The insurance industry in Myanmar dates back to 1826. Myanma Insurance Corporation was established as an independent entity on April 1, 1976, and played a significant role in the insurance sector. It was later rebranded as Myanma Insurance (MI) on April 1, 1989. In September 2012, the Myanmar government issued 12 new

insurance licenses to local operators, paving the way for private insurance companies to enter the market from 2013 onwards. With the sector now open to private firms, there is great potential for growth as more of the Myanmar population gains access to formal insurance. However, challenges remain in areas such as skilled workforce, modern insurance technology, reinsurance, and insurance supervision.

The Insurance Business Regulatory Board (IBRB) is dedicated to enhancing Myanmar's insurance industry by adhering rigorously to the rules, regulations, and guidelines set forth in the insurance business laws and bylaws. Presently, there are 28 insurance companies, including those that are fully foreign-owned, actively conducting operations in Myanmar. There are nine locally owned life insurance companies, three locally owned joint venture life and general insurance companies, five fully foreign-owned life insurance companies, seven locally owned life and general insurance companies, and Myanma Insurance among them.

Insurance companies in Myanmar are confronted with a number of challenges, one of which is a lack of public comprehension of the relevance of an insurance system. As a result of the emergence of the microinsurance business, insurance services are still only accessible to a very limited segment of the population, namely those who are in the middle and upper socioeconomic groups. Therefore, the study explores public awareness and perception of insurance service in Myanmar.

1.2 Objectives of the Study

The objectives of the study are:

- 1) To study the service activities of insurance companies in Myanmar and
- 2) To examine the level of awareness and perception on services of insurance companies in Myanmar.

1.3 Method of Study

Descriptive methodology based on primary and secondary data is used in the research. Structured questionnaires are used to gather primary data, while insurance firms, Myanma Insurance, and the Myanmar Insurance Association provide secondary data.

1.4 Scope and Limitations of the Study

The study focuses on insurance awareness and perception of insurance companies' services among 150 Master's students at Yangon University of Economics. The secondary data is limited on five years annual report from Ayeyarwady Sampo Insurance, First National Insurance, Grand Guardian Insurance, Kanbawza Mitsui Sumitomo Insurance, Myanmar Insurance and Young Insurance.

1.5 Organization of the Study

This thesis is divided into five chapters, the first of which serves as an introduction, outlining the goals, methodology, scope and limitations, organization, and justification for the research. A survey of the literature on the insurance industry's history, conception, principles, theory, awareness, services, and development is covered in Chapter 2. The insurance services in Myanmar are presented in Chapter 3. Survey data analysis is covered in Chapter 4. The conclusion of Chapter 5 includes recommendations and conclusions.

CHAPTER II

LITERATURE REVIEW

2.1 Historical Background of Insurance

The history of insurance stretches far back into the early Roman and Babylonian civilizations, but it wasn't until the 13th and 14th centuries that it began to gain widespread acceptance. This was largely due to the establishment of European guilds, which aimed to safeguard their members from potential financial losses (Kwon, 2010). Over time, the insurance provided by these guilds evolved, and in 1790, Edward Lloyd founded a coffee house in London. It was here that merchants could purchase maritime insurance to protect their goods from unforeseen losses (Giarini, 1995).

The insurance sector has seen transformations throughout the course of time. In the beginning, it was marine insurance that was offered in England. After that, it expanded to include general business insurance and life assurance, and then it eventually spread to the rest of Europe and the Americas. When seen from an economic point of view, insurance was considered to be a tertiary business throughout the periods of the Industrial Revolution. However, insurance has undergone a tremendous metamorphosis and is now an essential component of development challenges as well as a major economic strategy (Giarini, 1995).

The increasing frequency of environmental and natural disasters has highlighted the necessity for a different level of protection and risk exposure for insurance purposes (Lübken & Mauch, 2011). The swift expansion of globalization and industrialization is compelling contemporary societies to reassess effective strategies for managing the economic and human consequences of these disasters, instead of relying on ad hoc assistance and philanthropy during emergencies that disproportionately benefit the less affluent segments of the population (Lübken & Mauch, 2011).

Various academics have broadly described insurance as a system whereby the insurer pays the insured for responsibility or financial losses in return for premium payments (Tadess & Brans, 2012). The basic concept is to disperse the risk of loss across a wide population base while simultaneously giving consumers and enterprises financial protection (Patt, Suarez, & Hess, 2009). Experts in climate policy, analysis,

and research at the World Resources Institute Dixit and McGray (2009) state that, with the right planning, insurance might improve resilience to natural disasters including storms, floods, and droughts.

From a business perspective, insurance enables a business to continue to grow, averting financial crises at the household level, and ensuring the continuity of government services, thereby upholding overall stability in economic, social, and political spheres (Dixit & McGray, 2009). Though the word insurance is appearing not to be new, yet there have been debates regarding its precise definition. It is commonly described as an agreement in which the insurer commits to offering reimbursement to the insured in case of a particular incident such as property loss or damage. In exchange, the insured remunerates the insurer with a premium, typically at regular intervals. The insurer assesses the likelihood of the insured event occurring (Onomivbori 2010).

Onomivbori (2010) contends that insurance encompasses the idea of balancing risks by utilizing the law of large numbers, where a predetermined premium is paid upfront in exchange for the assurance that in the event of a specified loss, financial compensation will be provided by the insurers. This approach serves as a mechanism to mitigate financial uncertainties. Ultimately, Onomivbori (2010) acknowledges that the term insurance is multifaceted, allowing for various interpretations, some of which are misleading and inaccurate, such as likening it to gambling or betting.

From the above, one can deduce that Insurance means to the process of guaranteeing the payment of a certain amount of money in case of property damage, loss, or harm to life or an individual, through regular premium payments. Insurance serves as a way to distribute a potentially significant financial risk among a large group of people, rather than burdening a single individual. As stated by Gopalakrishna (2009), the primary goal of all insurance types is to shield the policyholder from various anticipated risks. The occurrence of the specified event must result in some form of loss for the insured party, or at the very least, expose them to adverse circumstances, commonly known as risk in the realm of insurance.

Linnerooth-Bayer and Mechler (2009) conducted a study on the utilization of insurance and risk financing tools in developing nations. The importance of different insurance programs that are available to poor nations was underlined. These programs include post-catastrophe insurance, subsidized global risk pool, sovereign risk pool, commercial insurance, and microinsurance. These insurance programs play a crucial

role in offering low-income households, businesses, and farmers access to post-disaster financial resources, ultimately reducing the impact of disasters, safeguarding livelihoods, and facilitating the recovery process.

Rather from depending on the intermittent generosity of foreign donors, less developed nations may benefit from insurance by feeling more reliable and dignified (Linnerooth-Bayer & Mechler, 2009). The advantages of insurance cannot be refuted since these programs, particularly the risk pools, lessen the likelihood of unpredictability and the volatility of sovereign assets (Gapen, Gray, Lim, & Xiao, 2008). That is why insurance is so beneficial. Program risks are brought on by unpredictable swings in future asset values relative to responsibilities to make debt payments; these swings often lead to pool defaults, which makes it hard to satisfy claims in the case of a catastrophe (Gapen, Gray, Lim, & Xiao, 2008).

The viability of insurance schemes that rely on the backing of foreign donor institutions is exposed by the sporadic long-term promises made by global risk pools (Linnerooth-Bayer & Mechler, 2009). As a social benefit, insurance is essential because it provides protection against a range of hazards and is preferable to relying on help in the event of a catastrophe (Linnerooth-Bayer & Mechler, 2009).

Insurance firms' capacity to produce profit or value for their shareholders determines their ability to control risk in the economy. Thus, the existence and profitability of the insurance industry are linked to the viability of enterprises and the nation's economy (Akotey, Sackey, Amoah, & Manso, 2013). According to Njejomir and Marovic (2012), the existence of insurance and reinsurance businesses is seriously threatened by the rising frequency of catastrophic losses. These organizations are facing mounting pressure to effectively handle their risk of profitability and maintain customer loyalty in a competitive market.

2.2 Principle of Insurance

In a world of unpredictable and hazardous future, insurance is a crucial financial instrument. It constitutes an agreement between an individual or a business and an insurance firm, serving as a monetary safeguard. It guarantees compensation to the insured in the event of an unforeseen disaster. Policyholders customize their coverage

by paying premiums, aligning it with their requirements and risk tolerance, to guarantee sufficient protection during emergencies (Singh, 2009).

Insurance provides financial protection and peace of mind by safeguarding against various risks such as accidents, illnesses, property damage, and liability. Nonetheless, it operates based on specific principles to guarantee its efficiency. The core concept behind insurance coverage is the pooling of risks or sharing risks among multiple policyholders (Onomivibori, 2010). To maintain fairness and effectiveness in policies, as well as to protect the interests of both the insurer and the insured, several principles are followed. These principles are:

1. **Utmost good faith:** The idea behind this principle is that mutual trust and honesty should exist between the insurer and the insured in an insurance agreement. It is essential for both parties to be transparent in sharing all pertinent information. The insurer is obligated to offer comprehensive details regarding the contract's terms and conditions, while the insured must disclose all relevant personal information. This practice guarantees that both parties are fully informed about any factors that could impact the agreement's terms and conditions.
2. **Insurable interest:** This concept states that the insured person or company has to have a "insurable interest" in the insurance policy's subject matter. An economic interest in the topic for which the insurance is obtained is referred to as an insurable interest. In addition to receiving a monetary benefit from the insurance, the insured must also incur losses in the event that the specified subject matter is destroyed or damaged. In order to be eligible for coverage, the insured must be the legal owner of the subject matter at the time the contract is signed and when the property is damaged.
3. **Indemnity:** Indemnity is a commitment to assist a party in returning to the same financial position they were in prior to the covered peril taking place. This ensures that the insured will receive compensation for any damages incurred during an accident. The insurance company conducts detailed assessments to determine the extent of the losses. The insured is not allowed to benefit financially from the insurance and will only be reimbursed for the exact amount lost as a result of the accident. While this principle does not

apply to life insurance and critical health policies, it is rigorously enforced in property insurance.

4. **Proximate cause:** This principle applies when an accident is the result of multiple factors. When determining the coverage for the damages incurred, the insurance company will take into account the proximate cause, which is the closest and primary factor in the property loss. The insurer will only provide compensation if this proximate cause is included in the contract; otherwise, no payment will be made. This principle does not apply to life insurance.
5. **Subrogation:** Subrogation is the process of replacing one party for another in a legal setting. When a party other than the insured causes a loss, this idea is relevant. According to the subrogation concept, the insurance company may file a lawsuit against any third person responsible for the loss after paying the insured for incident-related losses.
6. **Contribution:** According to the concept of contribution, each insurance company that provides coverage for the same subject matter to an individual would share the coverage for the loss incurred in proportion to the levels of coverage that each insurer has provided. One insurer has the legal right to demand payment from the other insurers for their portion if they cover the whole damage. This rule is intended to guarantee that damages are equitably divided among insurers and to stop the insured from making money off of the mishap.

After an insured event happens, the insured should take reasonable measures to reduce the amount of loss to the insured property. This principle aims to emphasize the importance of being proactive and taking necessary measures to mitigate loss, even after obtaining insurance coverage.

2.3 Insurance Theory

People live in society. Society is full of risks and uncertainties. Insurance serves as a mechanism to offer monetary recompense to individuals who experience adversity. Essentially, insurance stands as the most effective method to safeguard human life and possessions from a multitude of hazards (Shrestha, 2001). It functions as a form of

investment, yielding benefits solely in the event of specific losses resulting from predetermined occurrences (Singh, 2009).

Insurance plays a crucial role in human life by providing necessary protection and benefits. It not only benefits individuals and businesses, but also contributes to the overall well-being of society (Przybytniowski, 2017). By safeguarding against risks such as begging, theft, robbery, and unemployment, insurance helps create a more secure environment. Additionally, it promotes awareness about the importance of protecting life and property, ultimately raising the living standards of society members. Furthermore, insurance assists in meeting financial requirements for children's education or marriage, as well as ensuring security in old age and property ownership. By pooling scattered savings into industrial and financial institutions, insurance helps generate capital for economic growth.

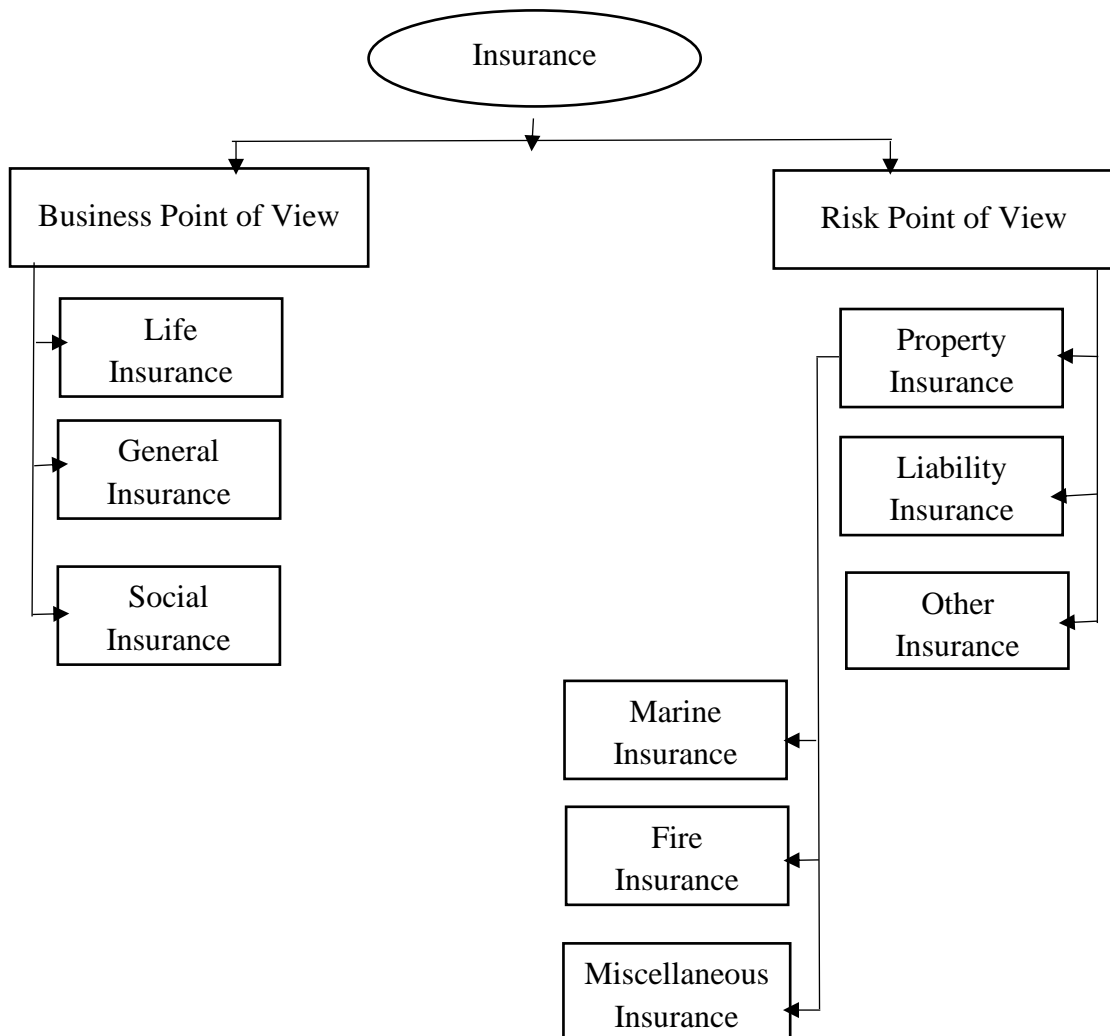
People, especially the policyholders or insured individuals, play a crucial role in the realm of insurance. Therefore, insurers must prioritize the needs of policyholders when providing their services. In today's world, there is a growing interest among people in obtaining insurance coverage. As the significance of insurance continues to rise, it becomes essential to understand the perspectives of policyholders regarding insurance services. Hence, the exploration of policyholders' perceptions of insurance services has become a subject of interest.

Insurance is defined as a collaborative mechanism designed to distribute the financial burden resulting from a specific risk among a group of individuals who are susceptible to it and who opt to protect themselves from the risk. It is recognized as a communal tool for pooling resources to cover unforeseen losses stemming from a particular risk faced by an insured individual (Mishra, 2004). Insurance provides a method to attain financial protection from risks. It serves as a tool to minimize the unpredictability of potential events.

Insurance reduces uncertainty of potential losses by facilitating thorough planning and efficient administration. It ensures policyholders receive compensation in the event of a loss, thereby eliminating any doubts. Premiums are charged by insurers to provide this peace of mind. Furthermore, insurance offers protection against unforeseen risks of loss. In the absence of insurance, individuals are left exposed to unpredictable financial setbacks. Ultimately, insurance serves as a safety net for policyholders.

Moreover, in the event of a risk occurring, the burden of the loss is distributed among all individuals who are vulnerable to the risk. This implies that insurance disperses the loss across a significant number of individuals who have agreed to collaborate with each other in the event of a loss (Mishra, 2004). It serves as an investment that yields returns when specific losses arise from a predetermined event (Singh, 2009). However, the aggregation of losses, compensation for unforeseen losses, transfer of risk, and provision of indemnity are fundamental attributes of insurance. Insurance can be categorized from two perspectives: business and risk, as illustrated in Figure (2.1).

Figure (2.1) Forms of Insurance



Source: Mishra (2004)

(I) Business Point of View

1. **Life Insurance:** Unlike other insurance policies, life insurance provides particular coverage for an individual's life. After a person passes away or after a certain length of time has passed, the insurer will pay a set amount of insurance. Since a person's life is regarded as their most precious asset, life insurance now provides the broadest coverage. This kind of insurance is essential for everyone, as it shields the family financially in the case of an early death or gives a sizeable payout as one ages and loses earning power (Mishra, 2004). Because a predetermined amount is paid to the insured upon death or at the end of a certain time, life insurance functions as both an investment and a source of protection.
2. **General Insurance:** Liability insurance, property insurance, and other insurance kinds are covered by general insurance. Specifically, fire and marine insurance are included in property insurance. Insurances for motor vehicles, theft, fidelity, and machinery also provide some liability coverage. The toughest kind of liability insurance is called fidelity insurance, and it pays the insured for losses incurred when they are required to reimburse a third party. Singh (2009).
3. **Social Insurance:** The goal of social insurance is to protect the weaker members of society who are unable to pay insurance payments. It includes industrial insurance, disability compensation, unemployment insurance, pension plans, and illness insurance (Khondkar and Rahman 1993). As socialist ideas grow more popular, the state is forced to provide social insurance. It is imperative for a nation's government to ensure that social insurance is accessible to all its citizens.

(II) Risk Point of View

1. **Property Insurance:** The property insurance policy provides coverage for individuals against specific risks such as fire, marine perils, theft, and accidental damage to property.
 - a) **Marine insurance:** This kind of policy offers protection from various marine risks. These risks include running into rocks, enemy assaults, fires, being taken prisoner by pirates, and other perils. These hazards may result in damage, loss, or disappearance of the ship and its contents, as well as unpaid freight. Thus, the ship (Hull), cargo, and freight are all covered by maritime insurance (Onomivibori, 2010).

- b) Fire insurance: Fire insurance provides coverage for fire-related risks. Without fire insurance, the impact of fire damage would not only affect the individual but also have repercussions on society. By having fire insurance, the financial losses caused by fire incidents are mitigated, preventing significant losses for society (Patt & Hess, 2009). This protection ensures that individuals are safeguarded from such losses, allowing their property, business, or industry to maintain a similar position as before the fire incident.
 - c) Miscellaneous insurance: Property, products, machinery, furniture, cars, costly objects, and other valuable things may all be secured against theft or other unintentional harm (Mishra, 2004). For every kind of property, there are many insurance choices, such as liability insurance, personal injury coverage, and property insurance.
2. Liability Insurance: The general insurance encompasses liability coverage, which holds the policyholder responsible for property damage, personal injury, or death compensation (Kwon, 2010). This type of insurance can be found in fidelity, automobile, and machinery insurance, among others.
 3. Other Insurance: General insurance covers a wide range of additional insurance kinds in addition to liability and property insurance. Examples include insurance for public servants and export credits, among others. In the case of particular events, the insurer agrees to pay out a set amount. The popularity of this insurance is growing quickly in recent times (Njejomir & Marovic, 2012).

2.4 Insurance Awareness

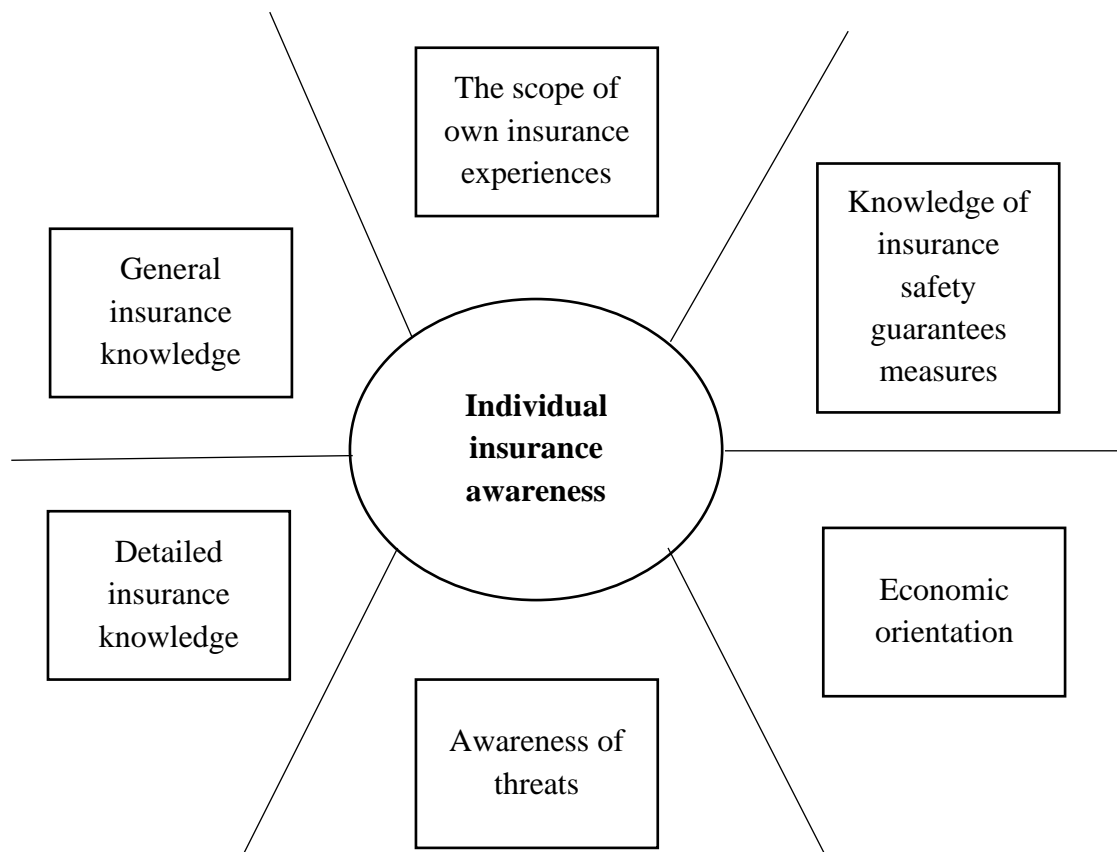
Szumlicz (2006) defines awareness as the understanding and abilities necessary for making informed decisions regarding insurance coverage, leading to responsible insurance practices and ultimately, a heightened sense of consciousness. Insurance awareness pertains to the level of understanding and mindfulness exhibited by customers of insurance companies when making decisions about purchasing insurance policies.

According to the findings of Płonka (2010), individual insurance awareness refers to a common set of beliefs and attitudes held by various groups, classes, and societies concerning the extent and nature of threats to their well-being, as well as the

strategies for addressing or lessening these risks. This awareness is influenced by the socio-cultural context and serves as a catalyst for personal development.

This awareness is defined in six areas (Szromnik, 2001): (i) requirements, especially the scope and magnitude of safety requirements, (ii) familiarity with security protocols, (iii) personal insurance history, (iv) region-specific practices and customs, (v) insurance promotion by companies, and (vi) insurance literacy within society. (Figure 2.2)

Figure (2.2) Operational Components of Individual Insurance Awareness



Source: Szromnik, 2001

These categories are of an individual nature. Marketing and educational tools can effectively influence the level of insurance awareness in specific areas (Przybytniowski, 2009). Therefore, insurance awareness encompasses a range of knowledge elements related to the operation of insurance market mechanisms, which

are crucial for making informed decisions that impact a person's sense of security and overall quality of life.

An individual's level of insurance awareness may be defined as their level of knowledge and familiarity with insurance policies and the relevance of such policies. This involves being aware of the many sorts of insurance alternatives, such as health, life, vehicle, and property insurance, as well as the protection and benefits that each of these forms of insurance provides. The major objective of insurance awareness is to provide consumers with the ability to make well-informed decisions when purchasing insurance, so ensuring that they have the proper coverage to protect themselves and their loved ones in the event of unexpected occurrences.

Insurance serves as a tool for managing risk by shifting the potential loss to an insurance company in exchange for regular payments known as premiums. This contractual agreement involves two parties, with the party transferring the risk referred to as the insurer and the one assuming the risk known as the insurance provider.

During times of uncertainty when individuals face various risks, insurance serves a crucial purpose. There are multiple factors that highlight the significance of insurance, including the following:

- **Financial Protection:** Both people and organizations may benefit from the financial protection that insurance offers in the case of unexpected and costly incidents such as accidents, natural disasters, and medical crises. Because of this security, they are able to recover from such conditions without having to go through severe financial difficulty.
- **Risk Management:** Companies that provide insurance do risk assessments and calculate the possibility that certain events will occur. The insurance policies that they develop are designed to help people reduce the risks that they face. As a result, insurance provides consumers with indirect assistance in managing risks by reducing the losses that are associated with unforeseen events.
- **Legal Requirement:** In many countries, insurance is a legal requirement. For instance, the majority of states in the USA require auto insurance. Failure to adhere to these legal obligations may result in penalties such as fines, license suspension, and potential imprisonment.

- **Secure Investment:** Insurance policies provide a reliable investment opportunity with assured returns upon reaching maturity. They are a secure option for individuals looking to save for future necessities like retirement, education, and healthcare.
- **Promotes Economic Growth:** Insurance plays a crucial role in fostering economic growth through offering financial protection to businesses. A reliable insurance market is essential for businesses to grow, explore new opportunities, and drive innovation. Moreover, insurance incentivizes individuals to invest in startups and enterprises, leading to job creation and enhancing societal progress.
- **Protection Against Liability:** Insurance is essential for both individuals and businesses at risk of liability claims to have insurance. Liability insurance safeguards against the financial impact of lawsuits, allowing individuals and businesses to sustain their activities and avoid insolvency.
- **Encourages Prudent Financial Management:** Insurance promotes responsible financial planning by allowing individuals to pay premiums in preparation for unforeseen circumstances, thus minimizing the likelihood of financial hardship. Additionally, it fosters accountability by prompting individuals to recognize potential risks and proactively address them.

2.5 Insurance Services and Contribution to Development

The insurance industry serves as a foundational element within the financial services sector and the overall economy. It holds a significant position in driving economic progress. Numerous studies show a strong correlation between financial institution development and economic growth. Two possible coexisting links between the financial sector and economic growth were put out by Patrick (1966).

The first scenario is a link between growth and the financial sector that is supply-led and in which the provision of financial services may boost economic expansion. The second scenario, on the other hand, shows a demand-following connection in which the expansion of financial institutions and their assets is driven by the need for financial services. In developing nations, the causality of development

often follows a supply-leading pattern, with locally established insurance entities or state-owned monopolies being viewed as crucial components of economic progress.

Recently, the insurance sector's economic significance has been on the rise in both developed and developing nations. Insurance companies are now a prominent component of the local financial industry and have expanded their presence in global capital markets. Factors contributing to the sector's growing importance include financial system liberalization, privatization, financial consolidation, the popularity of savings products, and market expansion strategies.

The international trade framework, as well as macroeconomic variables like inflation, currency restrictions, and a nation's revenue, as well as regulation, supervision, and the accomplishment of national development objectives, are all intricately linked to the insurance industry. In the context of privatization and liberalization, the sector has attracted a lot of attention because of its dual function in infrastructure and commerce. Insurance services support economic growth in a variety of ways (Das, Davies, and Podpiera, 2003):

- Insurance plays a crucial role in enhancing financial security for households and businesses alike. By transferring and consolidating risks, insurance services incentivize individuals and companies to focus on their strengths, generate wealth, and pursue valuable ventures that may have been deemed too risky otherwise.
- Life insurance companies facilitate the movement and allocation of savings. They gather savings from households and allocate them to both corporate and public entities. Due to the longer maturity of life insurance liabilities compared to bank liabilities, these companies can significantly impact the equity and bond markets. Moreover, their portfolios are typically more stable during liquidity crises. Economies with higher savings rates often experience accelerated growth.
- Strong insurance coverage can alleviate strain on the government's finances. Given that private insurance reduces the strain placed on government social security and health programs, it has the potential to ease pressure on the government budget. This is due to the fact that life insurance is an essential component of individual retirement planning and health insurance efforts.

- Insurance plays a crucial role in supporting trade, commerce, and entrepreneurial endeavors. With the various economic activities heavily relying on risk transfer, such as manufacturing, shipping, aviation, medical, legal, accounting, and banking services, insurance services are essential. Furthermore, insurance provides investors with the financial assurance needed to make investments, as they are confident in their ability to recover their investment.
- There is a possibility that insurance will reduce the overall risk that the economy is exposed to. The diversification of the portfolio, the provision of incentives to appropriately analyze and manage the risks to which they are exposed, and the promotion of actions that reduce risk all contributed to this reduction in risk.
- The provision of services like as health and life insurance, pension funds, and worker's compensation under the umbrella of insurance helps to improve the quality of life for people and contributes to the maintenance of social stability.

The insurance sector exhibits significant diversity, with its composition being influenced by the economic development level of a country (Das, Davies and Podpiera, 2003). Typically, in developed nations, the insurance industry comprises life insurers, non-life insurers, and reinsurers, which can operate independently or as part of larger corporate entities with global operations. Conversely, insurance companies in developing countries are typically smaller in scale and tend to focus on domestic markets rather than engaging in extensive international operations. Furthermore, variations can also be observed among insurance entities within the same country or market segment.

The government's crucial involvement in facilitating the benefits of insurance services cannot be overstated. In developed nations, its primary function is to serve as a regulatory body, guaranteeing safety and reliability within the industry. Conversely, in developing countries, the government takes on the additional responsibility of offering insurance services as a public good. These nations strive to create effective domestic regulatory structures to pave the way for the privatization and liberalization of insurance services.

Enhancing the transparency, efficiency, adaptability, and simplification of the regulatory framework can enable governments to enhance the impact of insurance services on development by aligning with national policy goals. The advantages of liberalizing insurance can be realized through well-crafted policies in various sectors:

- building domestic capabilities and overcoming supply-side restraints;
- establishing and implementing efficient regulation and administration;
- the role of government's function as a provider of insurance services;
- appropriate pacing and order of privatizing and liberalizing insurance services; and
- consumer protection.

2.6 Review on Previous Studies

In 2019, Hlaing Yin Mon conducted research on Myanmar's insurance industry. To accomplish the goal of the research, a descriptive analysis using primary and secondary data has been conducted. Personal interviews with prospective insurance buyers, staff members of 12 domestic insurance firms, three international reinsurance businesses, and the Myanmar Insurance Association (MIA) were used to gather the main data. About 100 people looking to buy insurance and 50 workers from the aforementioned organizations in the Yangon Region made up the target demographic. Secondary data came from a variety of sources, including the Financial Regulatory Department (FRD), the Insurance Business Regulatory Board (IBRB), publications from the Myanmar Insurance Association (MIA), relevant journals, websites, past research papers, reports, and other types of literature. The research found that certain agents participate in unethical competitive techniques, public awareness campaigns for insurance knowledge are unpopular due to time restrictions, and insurance goods and pricing are uniform among businesses. Despite this, most insurance companies maintain strong financial conditions and customers are satisfied with claim payments, resulting in a positive perception of the insurance business.

Htet Wai Min (2019), examined the public awareness of insurance policy and products in Yangon. In order to accomplish the study's objective, both primary and secondary data were utilized. The personal interview method was employed to gather the executive perspective on the industry from authorized individuals in private

insurance companies. Secondary data from various sources such as Asia Development Bank Reports, USAID reports, Oxford Business Groups reports, and others were also utilized. The study revealed that there is a lack of awareness regarding life insurance products due to the inadequacy of product features and benefits. Only companies offering general insurance products are well-recognized. Comprehensive motor insurance is currently the most popular product in general insurance due to the large number of cars and frequent accidents. As for Life Insurance, group life insurance is the most recognized due to the coverage provided by employers for the welfare and safety of their employees. One of the challenges in improving the industry is to make obtaining information, reaching customers, purchasing insurance, and filing for loss as convenient as it is in developed and developing market countries.

Khin Moe Nwe (2022), analyzed the customer's perception on life insurance service in the Yangon Region. The study primarily utilized a quantitative approach for descriptive analysis. A random sampling method was employed to gather primary data from 200 customers of Myanmar Insurance Company in Yangon Region who utilize life insurance services. Furthermore, secondary data and information were gathered from a wide variety of academic sources and research that had been conducted in the past. In terms of the components that influence the quality of service, the findings revealed that the item with the highest mean score was the physical appearance, followed by the factor that represented service promises. Customers perceive physical appearance as having the most significant impact on the quality of service provided by insurance companies, with both physical appearance and service commitment being key factors in ensuring customer satisfaction and trust in the insurance industry.

Przybytniowski (2017), analyzed the significance of insurance expertise as a key factor influencing changes in the insurance awareness of young professionals when making decisions about insurance coverage in the business insurance industry. Data was gathered through surveys conducted in 2015/2016 using the author's questionnaire. The survey included a general section with questions about the respondents' characteristics and a detailed section focusing on evaluating insurance knowledge and awareness. The assessment of students' insurance knowledge and awareness was done using a five-point Likert scale, allowing the author to gauge the respondents' acceptance of the analyzed phenomenon. The survey was conducted in person among part-time students living and working in the Podkarpackie Voivodship. The sample consisted of

500 participants. The research revealed that the insurance knowledge of new professionals leads to an increase in awareness regarding activities related to ensuring the safety of insurance company customers when selecting insurance coverage.

Dhunganal, and Yadav (2021), studied on awareness and perception regarding health insurance among community people in a Municipality. In Bardibas municipality of Mahottari district in Nepal, a cross-sectional survey was carried out from August 2019 to October 2019 to evaluate the awareness and perception of community members regarding health insurance. A structured questionnaire was used for data collection, with 422 participants selected through simple random sampling. Face-to-face interviews were conducted using the questionnaire. The study utilized a multivariable logistic regression model to analyze the impact of independent variables while adjusting for potential confounders. Results indicated that education level and occupation significantly influence the awareness and perception of health insurance. As a result, it is recommended to implement awareness programs on health insurance through mass media campaigns.

CHAPTER III

AN OVERVIEW OF INSURANCE SERVICES IN MYANMAR

3.1 History of Insurance in Myanmar

The insurance industry began in Myanmar in 1826. After the First Anglo-Burmese War, European businessmen opened up shop in Myanmar, which prompted the establishment of foreign insurance firms in the nation to provide insurance services to these businesses. There were eighteen foreign insurance firms operating in Burma between 1845 and 1897. After then, the number of insurance firms rose to 110 between 1897 and 1940. Notably, two local insurance businesses were present by 1937. They were:

- (i) Burma National Insurance Co., Ltd, established by Sir U Thwin, as a chairman.
- (ii) Burma (Government Chief Executive) Insurance Co., Ltd, established by Dr. U Satt as a chairman.

When the Second World War led to a halt in the insurance business. The Burma Government Security Insurance Company Limited was re-established by the Second Provisional Government on January 1, 1943, with the authorization of Burma war risk insurance regulations on June 4, 1942. The Public Insurance Company Limited and the Burma Fire & General Insurance Company Ltd, the country's insurance firms, then started operating in 1948. In 1950, the Federal Insurance Board Act was passed, marking the government's further entry into the insurance sector.

On March 1, 1952, the Union Insurance Board was founded after the nationalization of the Myanmar National Insurance Industry in compliance with the Nationalization of Insurance Companies Act. Commencing on March 1, 1953, the Union of Insurance Board underwrote mandatory Government Service Personal Life Insurance and Military Personal Life Insurance. General insurance payments were made directly starting from July 1, 1957. The Life Insurance (Prohibition) Act was enacted on January 1, 1959, prohibiting insurance companies other than the government from underwriting life insurance contracts. This implied that the only authority to underwrite general insurance was held by the Union of Insurance Board. Following the

merger of banks in November 1969, the People's Bank of the Union of Burma (PBUB) was established as the only bank, and the Union of Insurance Board was founded as an insurance department. After the Insurance Business Law of 1975 (Pyithu Hluttaw Law, No. 10) was passed, the Myanmar Insurance entity was founded as a distinct entity on April 1, 1976. This law encompassed the insurance industry in its entirety. Later, on April 1, 1989, Myanmar Insurance Corporation changed its name to Myanmar Insurance.

3.2 Current Situation of Insurance in Myanmar

In 2011, a democratic government was established, leading to strategic reforms across various sectors. The Insurance Regulatory Board, founded in 1996, underwent restructuring on November 5, 2011, under the Ministry of Planning and Finance. Subsequently, the IBRB was reconstituted on June 29, 2012, to liberalize the insurance market, followed by the reconstitution of the current IBSB on November 15. By 2013, the insurance market was effectively regulated and supervised, marking a significant milestone in the sector's development. Despite previous challenges, persistent efforts were made to liberalize the insurance market since the establishment of the Insurance Regulatory Board in 1996. The insurance industry's efforts to liberalize the insurance sector have yielded positive results. On September 5, 2012, IBRB chose 11 local companies to participate in submitting their specific types of insurance. Out of the 12 companies, 3 will be authorized to underwrite life insurance, while 9 will be permitted to underwrite both life and non-life insurance. One company has invested Kyat 6 billion in capital for life insurance and Kyat 40 billion for non-life insurance. Consequently, those operating as integrated insurance companies will need to invest Kyat 46 billion in capital each.

The Ministry of Planning and Finance has granted approval to insurance agencies and authorized insurance firms to conduct business legally with foreign investment. Interested domestic and foreign insurance companies are encouraged to submit expressions of interest and/or proposals to the Ministry. The processes included in the application will be supervised by the Department of Financial Supervision. There will be two different ways that life insurance companies may conduct their business, according to the official announcement. Under the first choice, foreign life insurance businesses are allowed to hold up to three licenses in order to function as wholly-owned subsidiaries. Joint ventures between local life insurance businesses and international

life insurance companies are possible via the second method, which permits foreign life insurance companies to establish a representative office in Myanmar.

In the meantime, life insurance providers that have representative offices in Myanmar will have the opportunity to establish joint ventures with local life insurance companies. Local integrated insurers are required to function as distinct entities, creating opportunities for collaborations or alliances with international firms. As of 2013, 11 local insurance companies have been granted business licenses, while 14 foreign insurance companies have established 30 representative offices in Myanmar. The Myanmar insurance market was liberalized in 2013, yet progress has not met expectations. It is surprising that market penetration has been slow in a country where less than 10 percent of the population purchases insurance products.

The insurance sector is currently in its early stages of development. There is significant potential for growth across various segments such as life, health, travel, car, and more. While mobile and internet penetration reached 100 percent of the population in less than five years, the insurance market experienced a longer timeline for growth. It is recommended for organizations and individuals to obtain coverage from licensed insurers within the country to avoid additional risks associated with purchasing from unlicensed overseas insurers. In cases where products are still purchased from foreign insurance companies, Myanmar Insurance can facilitate the process by purchasing products from state-owned foreign insurance companies for a fee.

The slow growth of life insurance in Myanmar can be attributed to the depreciation of the kyat. Four decades ago, paying Kyat 3 per month for a Kyat 100,000 death coverage may have seemed beneficial. However, with the insured still alive today, Kyat 100,000, equivalent to less than US\$ 50, is insufficient to cover funeral expenses. These figures were once considered practical promotions by Myanmar Insurance for parents seeking death cover. The impact of inflation and economic instability is evident in the devaluation of the currency. To counteract this, opting for shorter-term life insurance or inflation-adjusted policies is recommended to mitigate the effects of inflation.

The insurance sector in Myanmar is experiencing growth and profitability, with a continuous introduction of new products annually. Efforts are being made to train agents and boost sales in order to raise public knowledge about the range of insurance offerings. However, this expansion also brings about an increased risk of insurance

fraud, particularly prevalent in the car insurance segment. Despite the industry's average payout ratio standing at 25 percent, car insurance claims exceed 50 percent of the premiums received, presenting a significant challenge.

The insurance industry should take steps to monitor and identify insurance fraudsters in order to prevent honest policyholders from bearing the burden of their crimes. In Myanmar, all vehicles are required to have third-party insurance from Myanmar Insurance when renewing their vehicle license. Comprehensive coverage for automobiles only became available after the liberalization of the insurance industry in 2013. As a licensed business sector, the industry is expected to be profitable in the long term. Agents are trained in both life and general insurance and work on one-year contracts with the insurer. It is also likely that companies acting as agencies with groups of agents will emerge in the near future.

Currently, there are 28 insurance companies along with Myanma Insurance that are actively operating within Myanmar. Among these, there are five fully foreign-owned life insurance companies, three local-foreign joint venture life insurance companies, ten local-owned life insurance companies, three joint venture general insurance companies, seven local-owned general insurance companies, and Myanma Insurance. The insurance sector in Myanmar offers a variety of products, with more than 20 different options available, albeit with a limited range. The regulatory authority overseeing the insurance industry is the Insurance Industry Regulatory Board (IBRB), as opposed to Myanmar Insurance. Despite the presence of numerous insurance providers, the level of insurance penetration in Myanmar remains notably low.

The following Table (3.1) shows the insurance companies in Myanmar.

Table (3.1) Insurance Companies in Myanmar

No.	Name of Company	Type	Investor	Started Date
1.	Myanma Insurance	Life	Government	1952
2.	AIA Myanmar Life Insurance Co., Ltd	Life	Foreign	2019
3.	Chubb Life Insurance Myanmar Ltd	Life	Foreign	2019
4.	Dai-ichi Life Insurance Myanmar Ltd	Life	Japan	2019
5.	Manulife Myanmar Life Insurance Co., Ltd	Life	Foreign	2019
6.	Prudential Myanmar Life Insurance Ltd	Life	Foreign	2019

7.	Citizen Business Life Insurance Co., Ltd	Life	Joint Venture	2017
8.	Capital Tariyo Life Insurance Co., Ltd	Life	Joint Venture	2013
9.	Grand Guardian Nippon Life Insurance Co., Ltd	Life	Joint Venture	2013
10.	Aung Myint Moh Min Insurance Co., Ltd	Life	Local	2013
11.	Aung Thitsar Oo Life Insurance Co., Ltd	Life	Local	2013
12.	KBZ Life Insurance Co., Ltd	Life	Local	2012
13.	First National Insurance (Life) Co., Ltd	Life	Local	2013
14.	AYA Myanmar Life Assurance Co., Ltd	Life	Local	2013
15.	Global Life Insurance Co., Ltd	Life	Local	2013
16.	Young Insurance (Life) Co., Ltd	Life	Local	2013
17.	Excellent Fortune Life Insurance Co., Ltd	Life	Local	2013
18.	A Insurance Co., Ltd	Life	Local	2023
19.	Myanma Insurance	General	Government	1952
20.	AYA Sompoo Insurance Co., Ltd	General	Joint Venture	2019
21.	Grand Guardian Tokio Marine General Insurance Co., Ltd	General	Joint Venture	2012
22.	KBZ MS General Insurance Co., Ltd	General	Joint Venture	2019
23.	Aung Thitsar Oo General Insurance Co., Ltd	General	Local	2013
24.	Excellent Fortune General Insurance Co., Ltd	General	Local	2013
25.	First National Insurance (General) Co., Ltd	General	Local	2013
26.	Global World Insurance Co., Ltd	General	Local	2013
27.	Young Insurance Co., Ltd	General	Local	2013
28.	A Insurance Co., Ltd	General	Local	2023

Source: Myanmar Insurance Association (2024)

3.3 Insurance and Reinsurance in Myanmar

The government and local private insurance businesses now hold the majority of the market share in Myanmar's insurance sector. This is due to the fact that multinational insurance companies are prohibited from conducting direct insurance operations in Myanmar. There are three Japanese insurance companies that have been granted authorization to do business in the Thilawa Special Economic Zone by the Myanmar Insurance Business Regulatory Board (IBRB). These companies are Tokio Marine & Nichido Fire Insurance Co Ltd, Sompo Japan Insurance Inc, and Mitsui Sumitomo Insurance Co Ltd. Through the establishment of representative offices (ROs), several foreign insurance firms are participating in indirect insurance business in Myanmar. Twelve locally owned insurance businesses were active in Myanmar by the end of 2017, in addition to Myanma Insurance, the state-controlled insurance company. In addition, the nation now has representative offices for around 25 foreign insurance firms. In order to introduce the revised Insurance Business Law to parliament, the IBRB completed it in the middle of 2018 and is now seeking Ministry of Finance and Planning approval. Foreign insurance firms will be able to operate in Myanmar after receiving approval from the parliament.

State-owned Myanma Insurance holds a dominant position in the insurance market of Myanmar, offering approximately 50 different types of insurance, including reinsurance. Private domestic insurance companies have been granted permission by the Ministry of Planning and Finance to provide a limited range of insurance coverage. This includes 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, and an assortment of other insurance classes. Since local private insurance firms are not allowed to provide direct reinsurance, the state-owned Myanma Insurance handles the reinsurance business entirely via agreements with international reinsurers.

There are two main regulatory bodies that supervise the licensing of insurance companies and their operations, whether they are domestic or foreign in Myanmar are:

- Financial Regulatory Department (FRD) under the Ministry of Finance and Planning.
- The Board for Insurance Business Regulation (IBRB). All businesses operating in Myanmar must register with the Ministry of Finance and Planning's

Directorate of Investment and Company Administration (DICA), which serves as a regulatory body.

3.3.1 Regulation of Insurance and Reinsurance

The two primary insurance statutes do not provide any precise definitions for insurance contracts. The Contract Act 1872 is the main legal framework that governs contracts in Myanmar. Any legally enforceable agreement is a contract, as stated in section 2(h) of the Contract Act. A contract between an insurer and an insured party is referred to as a "insurance policy" under the IBRB Directive 11/2017. The Contract Act and actuality both use the fortuity concept, which stipulates that an occurrence must be a recognized danger. Any insurance agreement that is signed without the presence of insurable interest is invalid. The Myanmar Insurance Law defines reinsurance business as the insurer of all or part of liabilities accepted by another insurer, despite the fact that reinsurance contracts are not specifically defined in Myanmar regulations. The insurance laws of Myanmar do not directly govern contracts for insurance or reinsurance. Insurance policies, regulations, conditions, and premium scales must be approved by the IBRB before insurers may provide insurance products to the general public.

Only private or public limited firms, or representative offices of foreign insurers registered with the Directorate of Investment and Company Administration, are permitted to create private insurance companies. To operate, these corporate structures need licenses from the IBRB that are approved by the Ministry of Planning and Finance, the cabinet, and the Financial Regulatory Department. A life insurance firm must have at least Kyat 6 billion (about US\$ 4.5 million) in capital, but a general insurance company must have at least Kyat 40 billion (around US\$ 30 million) in capital. One alternative is composite insurance, which has a minimum capital requirement of Kyat 46 billion, or around \$34.5 million USD. Foreign insurance companies operating in the Thilawa Special Economic Zone are required to have a minimum of \$1 billion in total assets or paid-up capital in Myanmar.

The Insurance Business Law governs all private insurers, whereas the Myanmar Insurance Law governs government-owned insurers. Reinsurance is defined under the Myanmar Insurance Law, however as of this writing, there is no legal framework in

place to regulate reinsurers. Private insurance companies may only perform the specific insurance business that is included in their license and any other classes of insurance business that have been authorized by the Ministry of Planning and Finance. Furthermore, it is required that underwriting agents and insurers jointly buy government treasury bonds equal to thirty percent of their paid-up capital.

Nonetheless, in addition to their main insurance business, state-owned Myanmar Insurance is permitted to invest in shares, bonds, certificates of deposits, and securities. It is forbidden for foreign insurance firms to carry out any operational insurance activity via ROs. A government-owned bank must get 10% of the paid-up capital from insurers and underwriters. They need to create an account and purchase government treasury bonds totaling thirty percent of their paid-up capital in order to comply. Insurers and underwriters also have to set up a Life Insurance Fund and maybe a Life Assurance Policyholder Protection Fund by opening a bank account at a government-owned bank. Insurance brokers must have professional indemnity insurance, and insurers and underwriters must take part in reinsurance as mandated by the IBRB.

3.3.2 Insurance and Reinsurance Providers

Any individual or organization that is interested in beginning an insurance business in Myanmar is required to first register with the Directorate of Investment and Company Administration (DICA) as a private or public company. This is a prerequisite for filing an application for an insurance business license with the Insurance Business Regulatory Board (IBRB). They must also:

- Be incorporated as either a private or public limited company.
- Complete the designated application form to request a license.
- Fulfill the requirements for paid-up capital.
- Pay for deposit fees.
- Pay for license fees.

Any individual or organization in Myanmar looking to establish an insurance brokerage firm in the country must register as a private or public company with the DICA, and subsequently seek an insurance business license from the IBRB. They must also:

- Be incorporated as either a private or public limited company.

- Complete the designated application form to request a license.
- Fulfill the requirements for paid-up capital.
- Pay for license fees.

There may be actuaries and insurance agents may offer insurance services that differ from those offered by insurers, underwriters, and brokers. The licensing regulations do not include any specific exemptions or exclusions.

Any individual in Myanmar who has attained the legal age of adulthood is eligible to form a corporation and request an insurance business license from the IBRB. The corporation must be either a private or public limited company and must fulfill all necessary requirements:

- Private limited companies: at least two and no more than 50 shareholders and two directors,
- Public limited companies: at least seven shareholders and three directors.

Currently, foreign businesses are not permitted to participate in or seek an insurance business license. These companies are required to anticipate the passage of a new legislation or directive that would make it possible for them to engage in activities related to insurance.

The regulation of ownership and control for brokers is identical to that of insurers and underwriters. Actuaries' and insurance agents' duties are not currently regulated. Domestic insurance operators cannot combine or acquire with the IBRB, nor may insurance business licenses be transferred. Any changes in directors, major officers, or shareholders must be reported to the IBRB by insurers, underwriters, and brokers. They also need to record any changes with the corporate regulator, DICA. In addition, representative officers have to register with the IBRB and inform the company registrar of any changes to their officer roster. They also have to register with the company registrar of any changes to their parent company's management.

Upon receiving approval for the insurance business license from the IBRB, the insurer and underwriter must fulfill the specified requirements:

- **Paid capital:** The insurance company and the underwriter are obligated to meet the minimum capital requirements set by law.
- **Deposit:** A deposit of 10% of the paid capital is required to be made at the state-owned Myanma Economic Bank.

- **License fee:** The insurance business license requires a payment of Kyat 3 million, while overseas insurance companies operating in the Thilawa SEZ must pay permit fees of US\$ 30,000.
- **Bond:** 30% of the paid capital must be allocated for investment in government treasury bonds.
- **Fund:** The insurer and the underwriter are required to establish a life insurance fund in addition to a policyholder protection fund for life assurance beneficiaries.
- **License renewal:** Licenses need to be kept up to date and renewed every year, with a license fee of Kyat 1 million being required. Overseas insurance companies operating in the Thilawa SEZ must pay US\$ 10,000 for renewal fees, while representative offices are subject to annual fees of US\$ 1,000.
- **Other regulatory requirements:** Prior to engaging in insurance activities, it is necessary to secure approval from the IBRB for the form, proposal, policy, premium rates, and any other relevant documents.

Upon approval of the insurance business license by the IBRB, the insurance broker must adhere to the subsequent requirements:

- **Paid capital:** The IBRB requires that paid-up capital be contributed in accordance with their guidelines.
- **License fee:** The fee for the insurance business license is 3 million Kyat and must be settled.
- **Professional indemnity insurance:** It is necessary for the broker to acquire and keep up professional indemnity insurance.
- **License renewal:** The license needs to be kept up to date and renewed every year, with an annual fee of Kyat 1 million required for renewal.

Insurance agents are required to submit license fees upon approval of their agent license, and must annually renew their license by submitting renewal fees.

3.3.3 Insurance and Reinsurance Policy

The insured or beneficiary should notify the insurance company promptly, or in accordance with their policy terms, when a loss or damages occur. It is important to note that there are no legal requirements regarding the notification period. Notifying

the insurance company right away might have a detrimental effect on the claim, especially if it involves machinery, hull, or fire insurance. But the insurance provider cannot deny coverage only because the insured party didn't notify them on time.

In most cases, the only individuals who are permitted to file a claim against the insurer are the insured party or a beneficiary that has been selected in accordance with the terms of the insurance contract. In line with the Third-Party Liability Insurance Rules for motor vehicles, a victim who is a third party has the right to promptly demand indemnification from Myanmar Insurance. The Insurance Business Law outlines the processes that must be followed in order to file claims against third parties in the case of a death that is covered by life insurance policies. If the beneficiary is a minor, the claim will be paid to the beneficiary's birth or adoptive parents, or to the child's legal guardian of choice. If the beneficiary passes away before the policyholder without transferring the benefits, the claim will be distributed in the following sequence: (a) Spouse, (b) Children, (c) Grandchildren, (d) Siblings, and (e) Parents.

Under the Limitation Act, the insured has a three-year window to file a claim after proof of death or loss is provided to the insurer, whether by the claimant or any other party. A reinsurer may be made liable by the original policyholder or by a third party by submitting an enforcement request for approval to the IBRB. Even in cases when the Insurance Business Law does not specifically address payment methods, insurance firms are nonetheless required to pay insured persons or beneficiaries under an insurance policy. If an insurance company, underwriter, or broker behaves in a way that undermines policyholders' interests, the IBRB has the power to cancel the license.

An insurance policy can be terminated by the insurance company if a bad faith claim is made, resulting in the forfeiture of the premium paid. In case of false claims made in bad faith by the insured or beneficiary, the insurance company can take legal action. If the insurance company unjustly refuses to pay the insured or beneficiary, a petition can be filed with the IBRB or court. Punitive damages are not covered under Myanmar's insurance laws, but they are recognized under the Contract Act, with the penalty amount varying based on the contract. Myanmar's insurance market is still developing, and punitive damages coverage is not yet available.

3.4 Insurance Services in Myanmar

Insurance constitutes a formal agreement between the purchaser and the insurance firm, in which the former makes regular payments to the latter. These payments may be made in order to receive benefits, build savings for retirement or a specific objective, or to receive financial support in the event of an unforeseen circumstance affecting an individual or asset.

Insurance is typically categorized into two main types: general insurance and life insurance. General insurance provides coverage for risks related to an individual's health, as well as loss or damage to physical assets like homes or vehicles. On the other hand, life insurance offers protection against risks associated with an individual's life.

General Insurance

General insurance, also referred to as non-life insurance, provides coverage for losses resulting from specific events like fire, motor accidents, and personal injuries. In emerging markets like Myanmar, general insurance tends to dominate the premium share over life insurance due to the necessity for businesses to have protection. Personal insurance, on the other hand, is more appealing to car and property owners who have the means to pay premiums and comprehend the importance of such policies. Additionally, regulations in different industries may mandate insurance coverage for certain risks.

The industry has grown significantly even though it began with a relatively tiny basis. This may be ascribed to the early days of private insurance as well as the regulating body's stringent restrictions on the maximum coverage and rates. Among product lines, auto and fire insurance are growing at the quickest rate. Commercial insurance offerings are expected to have a significant presence in the market during the initial growth phase, providing coverage for marine, aviation, fire, and liability risks. The increasing focus on healthcare and property ownership across the country will serve as a driving force for further expansion in personal insurance. The government mandates that foreign general insurers can only operate in the country through joint-ventures with local insurers, by purchasing shares in the local entity. They are limited to a maximum of thirty-five percent ownership, in accordance with the new company law. Insurers from Thailand and Japan are required by their own regulations

to establish joint-ventures when entering foreign markets. For instance, Tokio-Marine Holdings from Japan is partnering with Grand Guardian Insurance, while Sompo Japan Nipponkoa Insurance has reached an agreement to form a joint-venture with AYA Insurance Company. Additionally, IKBZ is set to collaborate with Mitsui Sumitomo Insurance.

Life Insurance

Life insurance is still in its early stages with minimal market exposure. It involves the accumulation of premiums over an extended period, typically for endowment policies. In contrast to general insurance, the life insurance industry is expected to be more receptive to foreign participation, initially permitting a maximum of three foreign insurers to establish a wholly-owned subsidiary. Additionally, there are no restrictions on potential joint ventures with local firms, as long as foreign ownership does not exceed thirty-five percent.

Most international life insurance players prefer full ownership, and currently, five companies have received initial licenses to operate fully owned subsidiaries from the Ministry of Planning and Finance. These foreign companies include Dai-Ichi Life, AIA, Chubb, Manulife, and Prudential. Local CB Life Insurance is seeking to collaborate with Thai Life Insurance, as per Thai company regulations that only allow joint-ventures abroad. On the other hand, Capital Life Insurance seems poised to establish a joint-venture with Taiyo Insurance, while Grand Guardian has agreed to partner with Nippon Life from Japan, in compliance with the operating requirements for Japanese companies working overseas.

3.5 Main Insurance Service Products in Myanmar

The following types of insurance are the most common types of coverage available in Myanmar: fire insurance, auto insurance, health insurance, travel insurance, personal accident insurance, cash (transit/safe/fidelity) insurance, marine cargo insurance, marine hull insurance, and commercial lines insurance.

Fire Insurance

Insurance against fire provides protection against loss or damage caused by fire and other hazards associated to fire for a wide range of objects, such as buildings, machinery, furniture, stocks, and equipment that are owned by the government, cooperatives, joint-ventured firms, or the general public. Anyone who has a connection to the property that is recognized by law is qualified to apply for insurance. But properties that are hard to value can't be covered by insurance. There are four classifications of buildings and an insurance term that may last anywhere from ten days to a year. The tariff that corresponds to the classes of the insured building and the nearby structures that are situated within 25 to 50 feet is used to calculate premiums.

In addition to the fire cover, the following other covers may be purchased: storm, typhoon, hurricane, temperate, cyclone, flood, and inundation; Riot, Strike, and Malicious Damage; Earthquake Fire and Earthquake Shock; Explosion; Spontaneous Combustions; Aircraft Damage Impact Injury Landslide and Subsidence, Theft, and War Risk.

Motor Insurance

With the option to choose a duration of three, six, or nine months, the maximum term for motor insurance is one year. Benefits for the vehicle under insurance are available in the event of an unforeseen collision or overturn, impact damage from falling items, fire, explosion from the outside, malicious actions, inland canal, rail, and road travel, as well as riot, strike, and civil disturbance.

In the event that an accident occurs as a consequence of the operation of the covered vehicle, the maximum amount of compensation that may be awarded for death or bodily injury that is caused to any other individual is one million kyats (Ks. 1,000,000.00) for the vehicle and property of the Third Party. There are a number of factors that may be considered when determining the premium for a car, including its total insured value, cubic capacity, uploaded passengers, and whether or not it is a commercial or private vehicle. For example, if a car has an amount insured of Ksats 10 million, the premium rate for that car may be 1.1% for a private vehicle and 1.6% for a commercial vehicle.

Travel Insurance

The insured will be compensated for death or injury resulting directly or indirectly from the specified vehicle while traveling along the designated route from start to finish, as stated in the ticket. However, this indemnity will not apply if the insured is affected by pre-existing conditions, mental illness, suicide, self-inflicted injuries, abortion, participation in hazardous activities, criminal acts, drug use, or incidents related to war, strikes, riots, or civil unrest.

In the case that the insured passes away, the beneficiary will be entitled to a maximum payout of 3,000,000 Kyats and a maximum payout of 2,400,000 Kyats, depending on how serious the insured's injury was. Within a year after the insured's passing and two years following the insured's injury, the receiver must submit the claim.

Health Insurance

People in the age range of six to sixty-five may get insurance. Those who are working, operating a company, or in possession of any kind of visa, whether they are foreign nationals or citizens of Myanmar, may apply. Guardianship is necessary for candidates between the ages of 6 and 18. Age group and gender decide the premium rate, and the insurance coverage is good for a year.

Personal Accident Insurance

Any person within the age from 16 to 60 who are in good health, are eligible to purchase personal accident and disease insurance. The policyholder has the option to select Table A, which provides coverage for accidental death & injury as well as medical expenses related to 55 specified diseases. The insurance coverage can be obtained for a duration of one month, three months, six months, or one year.

For citizens living in Myanmar, the maximum insured amount is Ks. 5,000,000, or US\$ 20,000; for foreigners, the maximum insured amount is US\$ 30,000. Citizens and foreign nationals alike who want to go overseas are eligible to apply for up to USD 50,000 in insurance. The insured person's profession, which falls into one of three classifications, determines the premium rates. Class I pertains to persons who pose the

least danger, Class II is reserved for on-site workers, and Class III is for those who do hazardous job.

Cash (Transit/Safe/Fidelity) Insurance

Cash in transit insurance provides coverage for money lost as a result of robbery or theft while being transported from one location to another by government, cooperative, and private entities. The insured amount corresponds to the sum being transported at any given time. Premiums are calculated according to the distance traveled, with discounts available based on specific criteria. Premium rates typically fall within the range of 0.2% to 1%.

Cash in safe insurance protects the policyholder against theft of funds maintained on the property by government, cooperative, and private businesses. The duration of the insurance might be one day or one year. Government and commercial banks pay premium rates ranging from 0.2% to 0.5%, and cooperative and private organizations pay rates between 0.5% and 1%.

Employers are protected by cash in fidelity insurance against monetary losses or employee embezzlement in the public, cooperative, and private sectors. The insurance coverage is for a year, and the premiums are 1% for government workers and 2% for those employed by cooperatives and other businesses.

Marine Cargo Insurance

Marine cargo insurance provides coverage for goods transported by sea, as well as by land, rail, air, and often by post. It also includes voyage policy. Both Total Loss Only and All Risks are covered up to a maximum insured value of 1000 million Kyats. The indemnity applies when the vessel carrying the insured cargo sinks and the cargo is completely lost due to a natural disaster, accident involving an unforeseeable object, or fire. Similarly, coverage is provided for inland transport for accidental damage and total loss only, but not for partial loss.

Marine Hull Insurance

Marine Hull, onboard machinery, electronics, pontoon, and wharf may all be covered. For them, there are two kinds of coverage: All Risks and Total Loss Only. Specifically created for private yachts, Total Loss Only (TLO) offers coverage for a single trip as well as a length of one month to one year. When using Total Loss Only (TLO), the insured must honestly and sincerely provide correct information about the covered vessel in the proposal form. The proposal form must be accompanied by licenses and photos of the vessel, the captain's certificate and profile, as well as the vessel's value. If the vessel is over 20 years old, an additional 10% must be added to the basic premium.

Commercial Lines Insurance

Commercial lines insurance provides protection for businesses against losses incurred during their operations. It covers risks associated with employees, customers, and company assets in various industries such as construction, manufacturing, healthcare, and finance. Due to the presence of employees, customers, and infrastructure, businesses face greater financial risks compared to individuals. As the number of employees grows, the insurance requirements for companies become more intricate due to their liability for employee actions.

The following Table (3.2) presents total premium of main insurance service products in Myanmar from 2020 year to 2023 year.

Table (3.2) Total Premium of Main Insurance Service Products (2020 to 2023)

No.	Product Category	2020-2021 Total Premium (Kyat Million)		
		New business	Renewal	Total
1	Fire	9,997	31,223	41,220
2	Motor	27,673	27,850	55,523
3	Travel	2,372	0	2,372
4	Health	2,165	1,185	3,350
5	Personal Accident	303	244	547
6	Cash (Transit/Safe/Fidelity)	387	607	994

7	Marine Cargo	4,260	0	4,263
8	Marine Hull	443	200	643
9	Commercial Lines	167	560	727
Total		47,967	61,672	109,636
No.	Product Category	2021-2022 Total Premium (Kyat Million)		
		New business	Renewal	Total
1	Fire	22,194	46,697	68,891
2	Motor	36,500	29,667	66,167
3	Travel	606	0	606
4	Health	521	147	668
5	Personal Accident	245	182	427
6	Cash (Transit/Safe/Fidelity)	784	333	1,116
7	Marine Cargo	4,008	0	4,008
8	Marine Hull	324	310	634
9	Commercial Lines	3,874	6,761	10,635
Total		69,055	84,098	153,152
No.	Product Category	2022-2023 Total Premium (Kyat Million)		
		New business	Renewal	Total
1	Fire	46,700	21,976	68,676
2	Motor	30,470	37,487	67,957
3	Travel	1,222	0	1,222
4	Health	84	297	381
5	Personal Accident	168	226	394
6	Cash (Transit/Safe/Fidelity)	535	12,621	1,797
7	Marine Cargo	5,314	0	5,314
8	Marine Hull	697	13	711
9	Commercial Lines	6,044	3,463	9,508
Total		91,234	64,724	1,555,961

Source: Myanmar Insurance Association, 2024

According to the data from the Myanmar Insurance Association (Table 3.2), fire insurance and car insurance are the most popular insurance services. This is due to the fact that a majority of insured individuals in Myanmar have fire insurance for their

buildings, and car owners opt for motor insurance to address any damage to their vehicles.

Table (3.3) shows number of insurance policies (2022-2023) in six insurance service organizations.

Table (3.3) Number of Insurance Policies (2022-2023)

No.	Product Category	AYA SOMPO	FNI	GGI	KBZ MS	MI	YOUNG
1	Fire	12,632	9,277	17,888	19,700	34,723	3,882
2	Motor	25,897	26,642	61,945	19,280	3,461	14,673
3	Travel	6,525	678,458	0	5,179,300	4,680,958	0
4	Health	901	0	0	36,398	0	0
5	Personal Accident	2,547	0	2,463	5,857	403	0
6	Cash (Transit/Safe/Fidelity)	97	178	626	1,214	950	320
7	Marine Cargo	1,079	3,170	5,498	4,833		3,263
8	Marine Hull	4	15	32	16	6,564	2
9	Oversea Marine Cargo	0	0	953	0	133	0
10	Commercial Lines	2,602	0	0	0	0	0
	Total	52,284	717,740	89,405	5,266,598	4,727,192	22,140

Source: Myanmar Insurance Association, 2024

CHAPTER IV

SURVEY ANALYSIS

4.1 Survey Area Profile

The data for the survey was gathered from 150 individuals enrolled in the Master of Public Administration Program at Yangon University of Economics. This program, established in 2000 by the Department of Applied Economics, offers various undergraduate and graduate programs designed to improve students' analytical and professional skills. The undergraduate program leads to a Bachelor of Public Administration (BPA) and has produced more than 1000 graduates, while the graduate level offers two Master's programs leading to a Master of Public Administration (MPA), with close to 2000 graduates. Currently, there are around 300 students enrolled in courses for the academic year (2023-2024).

4.2 Survey Design

This study is used a descriptive statistics approach utilizing primary data. Primary data was collected through structured questionnaires in Google format and sent via email. The survey questionnaire was divided into four sections (a) characteristics of respondents, (b) service activities of insurance companies, (c) awareness of insurance services, and (d) perception on insurance services. In April of 2024, an online survey conducted by sending out a set of survey questionnaires through email to a select group of 150 participants who were part of the Master of Public Administration Program. The participants were provided with a five-day timeframe to finish the survey. The responses gathered were subsequently sent to the researcher using the Google Form tool in a combined and unidentified manner, enabling the examination of the findings and following suggestions. The survey included various awareness and perception questions, utilizing both multiple-choice and five-point Likert scale queries. The findings of the survey were presented in tabular form, accompanied by a comprehensive discussion highlighting their significance within the study's domain.

4.3 Survey Results

The survey results include characteristics of respondents, service activities of insurance companies, awareness of insurance services, and perception on insurance services.

4.3.1 Characteristics of Respondents

The characteristics of the respondents, including their gender, age, education level, employment, monthly income, and marital status, are shown in Table (4.1).

Table (4.1) Characteristics of Respondents

Particular	Respondents	Percentage
Gender		
Female	60	40.0
Male	90	60.0
Total	150	100
Age Group		
30 to 40	81	54.0
41 to 50	48	32.0
51 to 60	21	14.0
Total	150	100
Education Level		
Graduate	86	57.3
Postgraduate	64	42.7
Total	150	100
Occupation Status		
Government Employee	71	47.3
Private Employee	50	33.3
Self-owned Business	21	14.0
Others	8	9.4
Total	150	100
Monthly Income (Kyat)		
200,000 to 500,000	71	47.3
500,000 to 800,000	19	12.7

800,000 to 1,000,000	25	16.7
More than 1,000,000	35	23.3
Total	150	100
Marital Status		
Single	77	51.3
Married	73	48.7
Total	150	100

Source: Survey data, 2024

According to Table (4.1), 90 respondents (48%) are male while 60 respondents (40%) are female. The data indicates a higher number of female respondents compared to males. Regarding age groups, 81 respondents (54%) fall between 30 to 40 years, followed by 48 respondents (32%) between 41 to 50 years, and 21 respondents (14%) between 51 to 60 years. It is evident that younger individuals in the study area show more interest in insurance services than older individuals. In terms of education level, 86 respondents (57.3%) are at the graduate level and 64 respondents (42.7%) are at the postgraduate level, suggesting a well-educated participant pool.

In the occupation status, 71 respondents (47.3%) work in government organizations, 50 respondents (33.3%) in private organizations, 21 respondents (14%) are self-employed, and 8 respondents (9.4%) are engaged in other job activities. The monthly income of respondents ranges from over 1,000,000 kyats to 200,000-500,000 kyats. The survey highlights that company employees and self-employed individuals earn above 500,000 kyats, while government employees fall between 200,000-500,000 kyats.

4.3.2 Service Activities of Insurance Companies

The insurance services involve taking on insurance contracts for insurance companies. In addition to negotiating contracts, insurance agencies also handle tasks related to preparing contract agreements and assisting with the enforcement of contractual rights, especially when it comes to resolving claims against the insurance company. The service activities of insurance companies encompass these tasks. The service activities of insurance companies include: (i) property and casualty insurance,

which encompasses commercial, business, personal, and specialty insurance, (ii) life, accident, and health insurance, (iii) underwriting, reinsurance, marketing, and sales, (iv) any other insurance business that competes directly and significantly with the company's existing operations. The following Table (4.2) shows the insurance companies used by the respondents.

Table (4.2) Insurance Service Availability Status Among Respondents

Particular	Respondents	Percentage
Yes	62	41.3
No	88	58.7
Total	150	100

Source: Survey data, 2024

According to Table (4.2), 62 respondents (41.3%) are utilizing insurance services offered by their insurance provider, whereas 88 respondents (58.7%) are not. The survey results showed that the primary reason for not having insurance coverage among respondents are a lack of understanding about insurance services.

Table (4.3) Classification of Insurance Companies Used by Respondents

Particular	Respondents	Percentage
AYA Sompou	6	9.7
YOUNG	3	4.8
FNI	5	8.1
GGI	11	17.7
KBZ MS	13	21.0
MI	24	38.7
Total	62	100

Source: Survey data, 2024

According to Table (4.3), most of the respondents used MI followed by KBZ MS, GGI, AYA Sompou, FNI and YOUNG. Most of the respondents choose to use Myanma Insurance's service due to its status as a government-owned enterprises, which gives them a sense of solidity and reliability compared to other insurance providers.

Table (4.4) presents the duration of insurance company service by the respondents.

Table (4.4) Duration of Insurance Company Service by Respondents

Particular	Respondents	Percentage
Less than One Year	14	22.6
One Year to Five Years	20	32.3
Until now	28	45.1
Total	62	100

Source: Survey data, 2024

According to the result of Table (4.4), 14 respondents (22.6%) are used less than one year insurance services, 20 respondents (32.3%) have been used between one year to five years and 28 respondents (45.1%) have been using insurance services until now.

Table (4.5) shows the product of insurance services used by the respondents.

Table (4.5) Product of Insurance Services Used by Respondents

Particular	Respondents	Percentage
Fire	5	8.1
Health	14	22.6
Motor	39	62.9
Personal Accident	2	3.2
Travel	2	3.2
Total	62	100

Source: Survey data, 2024

According to the result of Table (4.5), 5 respondents (8.1%) bought fire insurance service from the insurance company, 14 respondents (22.6%) have bought health insurance service, 39 respondents (62.9%) bought motor insurance, 2 respondents (3.2%) bought personal accident insurance and 2 respondents (3.2%)

bought travel insurance. The results indicate most of the respondents are used motor insurance service followed by health insurance, fire insurance, travel insurance and personal accident insurance.

4.3.3 Awareness of Insurance Services

The study includes assessing the awareness of insurance services as a crucial factor. Private insurance companies' participants were interviewed to measure their comprehension of specific statements regarding insurance services in Myanmar. It was considered advantageous to engage with respondents from insurance firms in Myanmar, specifically those from private insurance companies, to tackle questions regarding the awareness of insurance services in the nation. The descriptive analysis of the 150 respondents' awareness of insurance services is presented in Table (4.6).

Table (4.6) Awareness of Insurance Services

Particular	Mean	Std. Deviation
Heard about insurance services.	3.05	0.840
Heard about the insurance scheme.	2.63	0.806
Eligible to any kinds of insurance services.	2.07	0.631
Know insurance services benefit package.	1.85	0.930
Know how to use insurance services.	1.92	0.871
Aware on insurance services.	1.51	0.847
Know coverage policy of insurance services.	1.53	0.712
Contact for insurance services.	2.71	0.619
Get claim on insurance.	1.69	0.604
Know the maximum number of claims in a year.	1.44	0.821
Overall Mean Value	2.04	

Source: Survey data, 2024

According to Table (4.6), the mean value of 3.05 with a standard deviation of 0.840 indicates that a majority of respondents have a moderate heard about insurance

services, while the mean value of 2.63 with a standard deviation of 0.806 indicates a moderate heard about the insurance scheme. Furthermore, the mean value of 2.07 with a standard deviation of 0.631 reveals that the respondents have limited knowledge about the benefits of insurance services. The mean value of 1.92 with a standard deviation of 0.871 demonstrates that the respondents minimal understanding of how to utilize insurance services.

Additionally, the mean value of 1.51 with a standard deviation of 0.847 indicates that most respondents have a low level of awareness regarding insurance services. Conversely, the mean value of 1.53 with a standard deviation of 0.712 suggests that respondents have limited knowledge about insurance coverage policies. Moreover, the mean value of 2.71 with a standard deviation of 0.619 reveals that respondents have moderate contact with insurance services. The mean value of 1.69 with a standard deviation of 0.845 indicates that respondents have limited knowledge on how to file a claim for insurance.

The mean value of 1.44 with a standard deviation of 0.821 shows that respondents have limited knowledge about the maximum number of claims allowed in a year. Overall, the mean value of 2.04 shows that respondents have a low level of knowledge about insurance services. Therefore, it is crucial for insurance companies to provide comprehensive information about their services to enhance public awareness and ensure that individuals can fully benefit from insurance coverage.

4.3.4 Perception on Insurance Services

This section presents the respondents perception on insurance services of the insurance companies.

Table (4.7) Perception on Insurance Services

Particular	Mean	Std. Deviation
The insurance policy is a worth investment.	2.63	0.762
The insurance could prevent financial hardship if you get property.	3.55	0.738

Health insurance can improve health care delivery system in your family.	3.80	0.703
Insurance service provide a sense of security regarding medical care to you and to your family.	3.11	0.835
It will be good to take a health insurance at a younger age.	3.27	0.766
Taking insurance is good for you.	3.21	0.943
Insurance is essential for each family.	3.47	0.792
Insurance policy is a right instrument to mitigate health and related risks.	3.73	0.785
There is easy process for acquiring insurance policy.	3.80	0.852
I am fully satisfied with insurance policy.	3.15	0.702
Overall Mean Value	3.37	

Source: Survey data, 2024

According to Table (4.7), the respondents' neutral stance towards the insurance policy as a worthwhile investment is reflected by the mean value of 2.63 and standard deviation of 0.762. Approval of insurance as a means to prevent financial hardship in case of property damage is shown by the mean value of 3.55 and the standard deviation of 0.738. Agreement on the improvement of the health care delivery system within their family through health insurance is indicated by the mean value of 3.80 and a standard deviation of 0.803.

The respondents' moderate acceptance of the insurance service is evident from the mean value of 3.11 and standard deviation of 0.835, indicating a sense of security regarding medical care. Additionally, the mean value of 3.27 with a standard deviation of 0.766 shows their moderate acceptance of the idea that taking health insurance at a younger age is beneficial. Furthermore, the mean value of 3.21 with a standard deviation of 0.943 suggests their moderate acceptance of the idea that insurance is good for them.

The respondents' agreement on the importance of insurance for each family is reflected in the mean value of 3.47 with a standard deviation of 0.792. Similarly, the mean value of 3.73 with a standard deviation of 0.785 indicates their belief that

insurance policy is an effective tool in managing health and related risks. Furthermore, the mean value of 3.80 with a standard deviation of 0.852 demonstrates their support for a streamlined process in acquiring insurance. On the other hand, the mean value of 3.15 with a standard deviation of 0.902 suggests that respondents are moderately satisfied with their current insurance policy. Overall, the mean value of 3.37 indicates a moderate perception of insurance services among the respondents.

The majority of the survey respondents provided detailed feedback regarding their understanding of insurance services, particularly Motor Insurance, Fire Insurance, and Health Insurance. Motor insurance provides protection for vehicle owners by covering damages to the vehicle and any Third-Party Liability as required by law. Third Party Insurance is compulsory, holding the vehicle owner legally responsible for any harm or damage caused to third parties in a public environment. On the other hand, Fire Insurance safeguards assets like buildings, machinery, and equipment from losses related to fire incidents. Health insurance, which is available to individuals aged 6 to 75 in good health, allows for the acquisition of basic coverage and optional additional units. The term of health insurance policies is one year.

CHAPTER V

CONCLUSION

5.1 Findings

The insurance industry began in Myanmar in 1826. There are now 28 insurance firms operating in Myanmar, including insurers that are wholly owned by foreign entities. Another issue facing insurance businesses in Myanmar is a lack of public understanding on the significance of an insurance system. The research investigates how the general population in Myanmar perceives and is aware of insurance services.

In April 2024, an online survey carried out by distributing a series of survey questionnaires via email to a carefully chosen group of 150 candidates enrolled in the Master of Public Administration Program. The findings indicate that female respondents are more than males. The age groups showed that younger people expressed more interest in insurance services than older people in the study area. The respondents have used insurance services for their occupation status and income. The survey results showed that the primary reason for not having insurance coverage among respondents is a lack of understanding about insurance services.

Most of the respondents used MI followed by KBZ MS, GGI, AYA Sampo, FNI and YOUNG. Most of the respondents used motor insurance service followed by health insurance, fire insurance, travel insurance and personal accident insurance. Most of the respondents have moderately known about the insurance services of life insurance and general insurance.

The study reveals that most respondents have a low level of understanding about life insurance, general insurance services, insurance schemes, benefits offered by insurance packages, effective utilization of insurance services, coverage policies, contact methods, insurance claims, and the maximum number of claims allowed per year. The overall mean value shows that respondents have a low level of knowledge about insurance services. Therefore, it is crucial for insurance companies to provide comprehensive information about their services to enhance public awareness and ensure that individuals can fully benefit from insurance coverage.

The perception on insurance services shows that the respondents' neutral stance towards the insurance policy as a worthwhile investment. The respondents are moderate acceptance of the idea that taking health insurance at a younger age is beneficial. The respondents' agreement on the importance of insurance for each family. The respondents are moderately satisfied with their current insurance policy. A moderate perception of insurance services among the respondents. The majority of the survey respondents provided in-depth feedback on their comprehension of insurance services, specifically Motor Insurance, Fire Insurance, and Health Insurance. The duration of health insurance policies is one year.

5.2 Suggestions

Firstly, it is essential for insurance companies to devise plans that accommodate the needs and financial capabilities of clients, ensuring that the standard premium rate is reasonable. Offering high-quality services at an appropriate premium rate, maintaining professionalism by meeting deadlines, providing contracts with clear terms, and promptly addressing claims are crucial elements of a successful insurance company.

Secondly, insurance companies need to offer flexible operating hours to cater to the schedules of their customers, enabling them to avail of services at their convenience. Moreover, staff should offer personalized attention to clients, comprehending their needs and resolving their queries to make them feel appreciated and guarantee excellent service quality. In addition, both insurance companies and their employees should endeavor to ensure customer satisfaction by supporting them through difficulties. This dedication and positive interaction help create a favorable perception of the services offered, ultimately benefiting the company.

Lastly, in terms of insurance policies, it is important for companies to introduce new products in order to appeal to early adopters and maintain their current customer base. Factors such as cost, quality, and return on investment play a critical role in establishing competitiveness. It is essential to highlight the return on investment, the company's reputation, and the affordability of premiums. Government insurance schemes should be encouraged to guarantee consumer access to beneficial and compliant products, protecting them from unscrupulous insurers.

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SURVEY QUESTIONNAIRE

The survey questionnaire information is used only for Master of Public Administration Degree at Yangon University of Economics. This survey questionnaire title is “**A Study on Public Awareness and Perception of Insurance Services in Myanmar**”. Your responses are entered directly into a database and treated confidentially. Thanks for your participation in my study to complete the Master’s Program. **Please make for each question.**

Section (A) Characteristics of Respondent

(1) Gender:

(a) Male (b) Female

(2) Completed Age (Years):

(a) Under 30 (b) 30 to 40 (c) 41 to 50 (d) 51 to 60 (e) Over 60

(3) Education Level:

(a) Undergraduate (b) Graduate (c) Postgraduate

(4) Occupation Status:

(a) Self-owned Business (b) Private Employee

(c) Government Employee (d) Others

(5) Monthly Income (Kyat):

(a) Less than 200,000 (b) 200,000 to 500,000

(c) 500,000 to 800,000 (d) 800,000 to 1000,000

(e) More than 1,000,000

(6) Marital Status:

(a) Single (b) Married

Section (B) Service Activities of Insurance Companies

(1) Do you have insurance service?

- (a) Yes (b) No

(2) Which insurance company services do you use?

- (a) ATSO (b) AYA Sompo (c) EFI (d) FNI (e) GGI (f) GWI
 (g) KBZ MS (h) MI (i) Young

(3) How long have you used insurance company services?

- (a) Less than One Year (b) One Year to Five Years (c) Until Now

(4) What service do you use from insurance company?

- (a) Cash (Transit/Safe/Fidelity) (b) Commercial Lines (c) Fire
 (d) Health (e) Marine Cargo (f) Motor (g) Personal Accident
 (h) Travel

Section (C) Awareness of Insurance Services

(1 = Don't Know, 2 = Little Know, 3 = Neutral, 4 = Moderate Know, 5 = Highest Know)

Particular	1	2	3	4	5
Have you ever heard about insurance services?					
Have you ever heard about the insurance scheme?					
Are you eligible to any kinds of insurance services?					
Do you know insurance services benefit package?					
Do you know how to use your insurance services?					
Do you aware on insurance services?					
Do you know coverage policy of insurance services?					
Where to contact for insurance services?					
How to get claim on insurance?					
Do you know the maximum number of claims in a year.					

Section (D) Perception on Insurance Services

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

Particular	1	2	3	4	5
The insurance policy is a worth investment.					
The insurance could prevent financial hardship if you get property.					
Health insurance can improve health care delivery system in your family.					
Insurance service provide a sense of security regarding medical care to you and to your family.					
It will be good to take a health insurance at a younger age.					
Taking insurance is good for you.					
Insurance is essential for each family.					
Insurance policy is a right instrument to mitigate health and related risks.					
There is easy process for acquiring insurance policy.					
I am fully satisfied with insurance policy					

Thank You.