



**Government of the Republic of
The Union of Myanmar**



Insurance Industry

**Ms. Ei Nandar Aung
Staff Officer
Financial Regulatory Department**

Introduction of Financial Regulatory Department

- Financial Regulatory Department under the Ministry of Planning and Finance was established to regulate and supervise the insurance sector on 1st of September, 2014 and the existing Insurance Business Law was amended by changing six provisions.
- The aim is to regulate the non-bank financial sector in Myanmar.

Objective of Financial Regulatory Department

- To strengthen the insurance market development in Myanmar
- To ensure the sustainable development of insurance sector
- To give the right protection to the insured public; and
- To allow the State-owned insurance business and local private insurance companies, foreign insurance companies and foreign representative offices to be phased in the insurance operations

There are four operational divisions at FRD,
namely;

- Microfinance Regulation & Supervision
Division
- Insurance Regulation & Supervision Division
- State-owned bank Regulation & Supervision
Division
- State-owned lottery enterprise Regulation &
Supervision Division

The Role of Financial Regulatory Department

Ministry of Planning and Finance

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graph TD; A[Ministry of Planning and Finance] --> B[Insurance Business Regulatory Board (IBRB)]; B --> C[Financial Regulatory Department];
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Insurance Business Regulatory Board (IBRB)

Financial Regulatory Department

The Role of Financial Regulatory Department

- Insurance Business Regulatory Board (IBRB) in 2011.
- Granted licenses to the local companies since 2013.
- Reorganized the Insurance Business Regulatory Board (IBRB) on 14th June, 2016
- The chairman of the Board is Deputy Minister

IBRB has been organized with the following persons-

(1) Deputy Minister of MOPF - Chairman

(2) A representative from the
Central Bank - Member

(3) A representative from the
Attorney- General Office - Member

(4) A representative from the
Auditor-General Office - Member

(5) A representative from the - Member
Directorate of Investment and
Company Administration

(6) A representative from the - Member
Internal Revenue Department

(7) Citizenship - Members
Insurance Experts

(8) Director General from the - Secretary
Financial Regulatory Department

Condition of Insurance Market

- ✓ All banks and UIB (Union Insurance Board) were merged in 1969
- ✓ Myanma Insurance Corporation was re-established and separated from People's Bank of the Union of Myanmar in 1976
- ✓ Restructured as Myanma Insurance in 1989

Condition of Insurance Market

Company	State Own	Local	Foreign	JV
Life Insurers	1	11	5	3
Non-Life Insurers	1	8	-	3

❖ The foreign representative offices are 34 until now.

Condition of Insurance Market

✓ Myanmar Insurance (State-owned Insurance Company) has been operating:

(a) As a player;

(b) (10) classes of Life Insurance; and

(c) (26) classes of non-life insurance

Condition of Insurance Market

❖ The private insurance companies are allowed to operate the following:

- a) 11 classes of life Insurance
- b) 9 classes of non-life Insurance
- c) 6 classes of life and non-life Insurance (PA, Health, Micro Health, Travel, Special Travel, Critical illness)

Condition of Insurance Market

- Taiyo Life Insurance Company has been officially recognized:
 - As the Leading Consultant ;
 - To provide the general consulting services to IBRB;
 - To launch the first health insurance product in Myanmar;
 - Since 11 July, 2015;
 - In 2018, the third version health insurance product
 - One of the foreign representative offices

Distribution Channels

- ❖ Number of Individual Agent - about 2000
- ❖ Cooperate Agent - Not yet
- ❖ Adjuster & Surveyor - 3
- ❖ Bancassuracne - Not yet
- ❖ Broker - Not yet

Asset Investment in Myanmar

The Insurance Business Rules set limits in principle on the asset allocation of insurance companies:

- To ensure sound financial condition;
- To open account in State-owned Bank at the definitely 10 % of the paid-up capital (kyats 6 billion for life insurance and kyats 40 billion for general insurance); and
- To purchase government treasury bonds and bills at the 30 % of the paid-up capital.

Insurance Liberalization Process

❖ On 5th April, 2019, following 100% wholly-owned subsidiary of foreign life insurers are allowed to operate in Myanmar;

- (a) AIA Company Limited
- (b) Chubb Tempest Reinsurance Ltd
- (c) Dai-ichi Life Insurance Company Limited
- (d) Manufacturers Life Insurance Company
- (e) Prudential Hong Kong Limited

❖ In 31st of July 2019, Successful Applicants for the formation of Non-Life Insurance JVs in Myanmar:-

- AYA Myanmar General Insurance Company Limited and Sompo Japan Nipponkoa Insurance Inc.;

- Grand Guardian General Insurance Company Limited and Tokio Marine and Nichido Fire Insurance Company Limited;

- IKBZ Insurance Company Limited and Mitsui Sumitomo Insurance Company Limited

❖ In 31st of July 2019, Successful Applicants for the formation of Life Insurance JVs in Myanmar:-

- Capital Life Insurance Limited and Taiyo Life Insurance Company Limited
- Citizen Business Insurance Public Limited and Thai Life Insurance Public Company Limited
- Grand Guardian Life Insurance Company Limited and Nippon Life Insurance Company

- ❖ The project on the development of insurance sector has been drawn with the cooperation by JICA and its record of discussion (RoD) was signed on 20th April, 2018.
- ❖ The project term is 2018 to 2020.
- ❖ According to this project, two insurance experts from FSA, Japan has been dispatched to Myanmar in July, 2018 besides insurance chief expert, Mr. Tsuyoshi Koshikarwar.

- ❖ One is general insurance expert and another is life insurance expert.
- ❖ They will support for product development of Myanmar insurance sector.
- ❖ Moreover, legal task-force and accounting task-force have also been established with FRD's concerned officials and JICA's insurance experts.
- ❖ The new draft law has been drawn with aid of JICA, Work Bank and USAID.

Conclusion

- ❖ After liberalizing insurance sector in Myanmar, it can give more protection to the policyholder's interest.
- ❖ To have homogeneous products
- ❖ To create job opportunities
- ❖ To flow foreign direct investment
- ❖ To support to the economic sector of Myanmar by promoting insurance status



Thank you
for your attention