
Insurance regulation in Myanmar

Ten things to know

In conjunction with DFDL



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*as at 04 July 2013

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01 | The Regulator

The Insurance Business Supervisory Board, which reports to the Ministry of Finance and Revenue, is responsible for licensing insurers, underwriting agents and insurance brokers. Myanmar Insurance, the state owned insurance company, performs the work of the Supervisory Board.

02 | Subsidiary/branch

Insurance and insurance broking business must be conducted through either a company incorporated in Myanmar or a company established outside Myanmar with an established place of business in Myanmar

Until 2013, Myanmar Insurance was the sole insurer in Myanmar.

In September 2012 the government announced that it would grant 12 new licences to domestic operators (writing a more limited range of classes than the incumbent Myanmar Insurance). These entities must open for business within 12 months.

03 | FDI restrictions

Foreign investment in the insurance industry is not permitted. This may be relaxed in 2015.

04 | Control approvals

An insurer may not transfer its licence and shall provide information about its shareholders when required by the Supervisory Board.

05 | Minimum capital

Minimum paid up capital:

- life insurance: MMK 6 billion*
- non-life insurance: MMK 40 billion
- mixed: MMK 46 billion

10 per cent of the paid up capital must be deposited at the Myanmar Economic Bank

30 per cent of the paid up capital must be used to purchase Government Treasury Bonds

*MMK 978.00 = USD 1.00 as at 04 July 2013

06 | Risk based capital

No – capital requirements are based on a solvency margin.

A separate fund for each class of general business and for life assurance must be established.

07 | Group supervision

No

08 | Policyholder protection

The Supervisory Board has the power to establish a fund for the protection of life assurance policy-holders

Policyholders get priority over an insurer's assets in the event of insolvency (subject to certain preferential payments – s.230 Myanmar Companies Act).

09 | Portfolio transfers

The insurance laws are silent as to portfolio transfers.

10 | Outsourcing

The insurance laws are silent as to outsourcing.

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