



## Fintech Challenge Myanmar 2020 – Deep Webinar “Promoting Microinsurance in Myanmar” 16 July 2020

### Summary / Key Findings

#### ***Developing a microinsurance regulatory approach***

- Myanmar’s insurance industry is still in its infancy. Microinsurance is an important element of that infant industry. The country needs microinsurance products that are relevant and affordable for low income people.
- Though separate microinsurance regulations are not yet in place, there are opportunities to move forward with microinsurance coverage within current insurance regulation.
- Flexibility in the regulations themselves will be key to stimulating growth in the industry it develops and evolves and embraces digitization.
- The existing protracted insurance product review / approval process does not adequately consider the need to test new products for new market segments (e.g., low income customers with little knowledge of insurance).
- Flexible regulations and a flexible regulatory approach, therefore, must be combined with pilot testing of new products and product delivery channels by the industry in order to see what works in Myanmar’s nascent market.
- There is scope for a “test and learn” approach, a regulatory sandbox, and an industry sandbox.

#### ***Promoting innovation in microinsurance***

- It is important not to start the promotion of microinsurance with standardized products. The industry should start with customer pain points and needs and design fit-for-purpose microinsurance solutions.
- Microinsurance requires a strong promotional push from the industry that can be part of financial education and financial literacy efforts. Strong promotional support is also needed from the regulators, as in the case of Philippines, where the regulators drove the industry to develop microinsurance products.
- It is not likely that microinsurance innovation will come solely from existing insurance providers; there needs to be collaborations with insurtechs (“technical service providers”) like Stonestep and CommonHealth, as well as with Mobile Financial Services providers and other channel providers, like MFIs. In short, there is a need for a collaborative ecosystem with facilitated partnerships.
- There is an urgent need to build skills and capacity of the insurance industry workforce. In parallel, there is a need to further inform and support the regulators to learn from emerging international good practices.
- Efforts to build a strong re-insurance industry are critical to create a strong insurance market.

#### **“Headline” Takeaway:**

- ***There needs to be a more systematic, coordinated effort to develop and promote microinsurance in Myanmar—writing a law and developing regulations is just the starting point. Nathan/USAID experts along with DaNa Facility team will explore different ways to do this in more detail in a revised policy brief to be released shortly.***



## FINTECH CHALLENGE MYANMAR TECHNICAL PARTNERS



## FINTECH CHALLENGE MYANMAR PROGRAMME PARTNER

