



The Republic of the Union of Myanmar  
Ministry of Planning, Finance and Industry  
Insurance Business Regulatory Board  
Nay Pyi Taw

**Directive No.1/2020**

11<sup>th</sup> Waxing of Tabaung, 1381 ME  
(4<sup>th</sup> March, 2020 )

**Directive for Insurance Agents**

1. In exercise of the powers conferred under Sub-section (b) of Section 38 of the Insurance Business Law, the Insurance Business Regulatory Board (IBRB) hereby issues this Directive for Insurance Agents.

**Definitions**

2. The following expressions contained in this Directive shall have the meanings given hereunder :-
- (a) **“insurance agent”** means an insurance service provider who provides insurance services, including soliciting, negotiating and undertaking discussions, to sell insurance policies provided by an insurance company licensed in Myanmar;
  - (b) **“corporate insurance agent”** means a company or corporation that is registered under the Myanmar Companies Law or any other existing law and is made up of licensed insurance agents, which has obtained a corporate insurance agent licence;
  - (c) **“registry”** means a list of insurance agents developed and maintained by the Myanmar Insurance Association (MIA) and submitted to the Financial Regulatory Department (FRD);

- (d) **“insurance company”** means life insurance companies and general insurance companies which have obtained business licences in Myanmar in accordance with the Insurance Business Law;
- (e) **“solicitation of insurance business”** means activities of soliciting, negotiating and undertaking discussions to sell insurance policies by an intermediary or any financial institution on behalf of an insurance company;
- (f) **“Insurance Agent Training Institute”** means an accredited training institute that is registered under the Myanmar Companies Law or any other existing law, which provides training on insurance-related matters in accordance with the standards prescribed by the IBRB; and
- (g) **“Insurance Agent Testing Centre”** means an accredited testing centre that is registered under the Myanmar Companies Law or any other existing law, which conducts qualification tests for insurance agents in accordance with the standards prescribed by the IBRB.

### Objectives

3. The objectives of this Directive are as follows:

- (a) Ensuring that the insurance agents conduct the solicitation of insurance business in accordance with the rules and regulations prescribed by the IBRB; and
- (b) Ensuring that insurance companies and insurance agents discharge their responsibilities throughout the duration of the insurance policies in accordance with the terms and conditions of the insurance policies.

### Licensing

4. An insurance agent shall have obtained a licence issued by the IBRB to undertake the business of providing insurance service. With respect to such licence:

- (a) An agent of a life insurance company shall have obtained a life insurance agent licence. A life insurance company may appoint a Tied Life Agent who will exclusively act as an insurance agent for the relevant life insurance company. A life insurance agent who is not a tied life insurance agent may act as an agent of no more than two life insurance companies. A life insurance agent shall solicit, undertake

- discussions and negotiate to sell only the life insurance products which have been approved by the IBRB.
- (b) An agent of a general insurance company shall have obtained a general insurance agent licence. A general insurance agent may act as an agent of no more than three general insurance companies. A general insurance agent may solicit, undertake discussions and negotiate to sell only the general insurance products which have been approved by the IBRB.
  - (c) A corporate insurance agent of a life insurance company, consisting of licensed life insurance agents, shall have obtained a corporate life insurance agent licence. A corporate life insurance agent may enter into agency agreement(s) with no more than two life insurance companies. A corporate life insurance agent, through its individual insurance agents, may solicit, undertake discussions, negotiate and collect insurance premium in connection with the sale of only the life insurance products which have been approved by the IBRB.
  - (d) A corporate insurance agent of a general insurance company, consisting of licenced general insurance agents, shall have obtained a corporate general insurance agent licence. A corporate general insurance agent may enter into agency agreement(s) with no more than three general insurance companies. A corporate general insurance agent, through its individual insurance agents, may solicit, undertake discussions, negotiate and collect insurance premium in connection with the sale of only the general insurance products which have been approved by the IBRB.

### **Procedure for Obtaining Insurance Agent Licence**

5. An applicant for insurance agent licence shall have attended the agent training course conducted by the Insurance Agent Training Institute or the in-house training conducted by the relevant insurance company, and shall have passed a qualification test conducted by the Insurance Agent Testing Centre.

### **Training of Insurance Agents**

6. (a) The Insurance Agent Training Institute or the insurance companies shall conduct training sessions for the insurance agents, in accordance with the curriculum approved by the IBRB.

- (b) The MIA shall develop the curriculum, syllabus, and training manuals which are necessary for training of the insurance agents and submit them to the IBRB.
- (c) The insurance companies shall be members of the MIA. In addition, the insurance companies shall support the MIA with the reference insurance materials which are necessary for training of the insurance agents.
- (d) The Insurance Agent Training Institute shall be entitled to collect training fees with the approval of the IBRB.

### **Conducting Qualification Tests for Insurance Agents**

7. The Insurance Agent Testing Centre shall:
- (a) conduct qualification tests in accordance with the Insurance Business Law, and the related rules and directives;
  - (b) conduct qualification tests at least twice in any year;
  - (c) shall assess whether the insurance agent candidates meet the prescribed qualification criteria and permit only the candidates who satisfy the prescribed qualification criteria to sit for the qualification tests; and
  - (d) be entitled to collect test fees from the insurance agent candidates with the approval of the IBRB.

### **Qualification Criteria for Insurance Agent Candidates**

8. An insurance agent candidate shall satisfy the following qualification criteria:
- (a) The candidate must be a resident of Myanmar;
  - (b) The candidate must have passed the matriculation exam. If the candidate has not passed the matriculation exam, the candidate must have work experience in the insurance sector for at least five years;
  - (c) The candidate must not have been declared as a bankrupt;
  - (d) The candidate must not have been convicted of a criminal offence;
  - (e) The candidate must not be involved in money laundering or financing of terrorist organisations;

- (f) The candidate must not have been rejected for an insurance agent licence, a brokerage licence or any other similar licence in Myanmar or in any other jurisdiction, and must not have had such licence suspended or revoked;
- (g) The candidate must not have been charged in a court for crimes involving fraud, cheating or misappropriation; and
- (h) The candidate must satisfy such other requirements which may be prescribed by the FRD from time to time.

9. The Insurance Agent Testing Centre shall submit a list of the insurance agent candidates, who have satisfied the qualification criteria prescribed in Paragraph 8 of this Directive and have passed the qualification test, to the FRD for recommendation as insurance agents.

#### **Obtaining Approval for Issuance of Insurance Agent Licence**

10. The FRD shall review the list of the insurance agent candidates who have satisfied the qualification criteria prescribed in Paragraph 8 of this Directive and have passed the qualification test, which has been submitted by the Insurance Agent Training Centre, and shall report accordingly to and obtain the approval from the IBRB for the issuance of the insurance agent licence. The term of the insurance agent licence is two years. The insurance agent shall apply for a renewal of the insurance agent licence at least one month prior to the expiration date and the insurance agent must have satisfied the Continuous Professional Development Hours requirement prescribed by the FRD at the time of such application.

11. Following a rejection by the IBRB to issue an insurance agent licence for any particular reason, the Insurance Agent Testing Centre shall accordingly inform the relevant candidate.

#### **Procedure for Obtaining Corporate Insurance Agent Licence**

12. The corporate insurance agent shall submit an application for a licence to the IBRB, which shall include the following:

- (a) The registered name and the date of incorporation of the corporate insurance agent (a certified true copy issued by the Directorate of Investment and Company Administration);

- (b) Address of head office and name of the responsible agent;
  - (c) Names and addresses of the members of the Board of Directors;
  - (d) Other major businesses in addition to the insurance agent business;
  - (e) A certified true copy of the company's Constitution;
  - (f) A list of the insurance agents and certified true copies of their licences; and
  - (g) Such other information as may be prescribed by the FRD.
13. A corporate insurance agent shall have a minimum paid-up capital of MMK 15,000,000. The FRD shall, if necessary, be entitled to increase the minimum paid-up capital requirement for corporate insurance agents depending on the nature of the business undertaken by the relevant corporate insurance agent.
14. The FRD shall review the applications for corporate insurance agent licences and submit to the IBRB for approval.

### **Qualification Criteria for Corporate Insurance Agents**

15. A corporate insurance agent shall satisfy the following qualification criteria:
- (a) All individuals involved in the conduct of business by the corporate insurance agent must have in place valid insurance agent licences;
  - (b) A financial institution which intends to undertake business as a corporate insurance agent shall comprise of at least three individuals who have in place valid insurance agent licences;
  - (c) There must be no actions taken against the corporate insurance agent under the Insurance Business Law, the relevant rules, regulations, directives or any other existing law;
  - (d) Any management level personnel in the corporate insurance agent must not be engaged by any other insurance business; and
  - (e) The corporate insurance agent must satisfy such other requirements which may be prescribed by the FRD from time to time.

### **Obtaining Approval for Issuance of Corporate Insurance Agent Licence**

16. The FRD shall assess whether the applicant company or organisation for the corporate insurance agent licence satisfies the prescribed qualification criteria, and shall report accordingly to and obtain the approval from the IBRB for issuance of the corporate insurance agent licence. The term of the corporate insurance agent licence is one year. The

corporate insurance agent shall apply for a renewal of the corporate insurance agent licence at least one month prior to the expiration date and the corporate insurance agent shall enclose to such application a list of insurance agents who will be conducting the business.

17. A financial institution which intends to solicit, undertake discussions, negotiate and collect insurance premium in connection with the sale of insurance policies on behalf of an insurance company shall have obtained a corporate insurance agent licence issued by the IBRB in accordance with the Insurance Business Law and the directives issued by the IBRB.

18. Following a rejection by the IBRB to issue a corporate insurance agent licence for a particular reason, the FRD shall accordingly inform the relevant applicant company or organisation.

#### **Corporate Insurance Agent Agreement**

19. An insurance company and a corporate insurance agent shall enter into an insurance agent agreement before soliciting, negotiating, undertaking discussions and collecting insurance premium in connection with the sale of insurance policies.

20. The insurance agent agreement between the insurance company and the corporate insurance agent shall be submitted to the FRD in advance.

21. The corporate insurance agent shall be responsible for monitoring and supervising the acts undertaken by its insurance agents in accordance with the insurance agent agreement which it has entered into with the insurance company, and for ensuring continuous development regarding insurance knowledge and professional expertise of the insurance agents who undertake insurance agent business on its behalf.

22. The insurance company shall report to the FRD regarding the termination of any or all parts of its insurance agent agreement with a corporate insurance agent within 5 days from the date of such termination.

### Register of Licensed Insurance Agents

23. The Insurance Agent Testing Centre shall develop an appropriate Information Management System to maintain a register of licensed insurance agents.
24. The Insurance Agent Testing Centre shall submit the register of licensed insurance agents and such other information as may be required to the FRD through the MIA.
25. The insurance company shall submit a complete list of all insurance agents and all information as may be requested by the Insurance Agent Testing Centre.
26. The MIA shall prescribe the application form and the requirements for the registration of the licensed insurance agents by the Insurance Agent Testing Centre.
27. The register of licensed insurance agents shall include the following information:
  - (a) With respect to an insurance agent:
    - (i) Official name;
    - (ii) Date of birth;
    - (iii) Nationality;
    - (iv) Address in Myanmar;
    - (v) Other major businesses in addition to the insurance agent business;
    - (vi) Certified true copies of the certificate issued by the IBRB upon completion of the insurance agent qualification test and the insurance agent licence;
    - (vii) One or more insurance company or insurance companies with which the insurance agent has entered into the insurance agent agreement(s); and
    - (viii) Such other information as may be prescribed by the FRD; and
  - (b) With respect to a corporate insurance agent:
    - (i) The registered name and the date of incorporation of the corporate insurance agent (a certified true copy issued by the Directorate of Investment and Company Administration);
    - (ii) Address of the head office and name of the responsible agent;
    - (iii) Names and addresses of the members of the Board of Directors;
    - (iv) A list of the insurance agents who will be conducting the insurance service;
    - (v) Other major businesses in addition to the insurance agent business;



- (vi) One or more insurance company or insurance companies with which the corporate insurance agent has entered into the insurance agent agreement(s); and
- (vii) Such other information as may be prescribed by the FRD.

28. The MIA shall maintain the confidentiality of the personal information and proprietary information of the insurance agents.

29. The MIA shall make an official publication of the names, addresses, the date of the insurance agent licence and the affiliated insurance companies of the insurance agents on its official website, in accordance with the directions of the FRD.

### **Commissions**

30. The insurance companies shall make payment of commissions to the insurance agents in accordance with the commission rates prescribed by the IBRB.

### **Responsibilities of Insurance Companies**

31. The responsibilities of the insurance companies are as follows:

- (a) The insurance company shall be liable for any losses arising out of the solicitation of the insurance policy holder by the insurance agent;
- (b) The insurance company shall not prohibit the reimbursement of the insurance agent for the expenses incurred by the insurance agent; and
- (c) The insurance companies, insurance brokers, management personnel of the claims adjustment organisations, auditors, and the persons who are authorised to sign off on behalf of any of the aforementioned shall not act as a member of the Board of Directors or the audit committee of the corporate insurance agent. In addition, each of the aforementioned persons shall not cooperate with, or provide any service in exchange for money to the corporate insurance agent.

**Responsibilities of Insurance Agents**

32. The insurance agents shall expressly inform the customers of the following:

- (a) The terms and conditions of the insurance policy between the insurance company and the customer;
- (b) The relationship between the insurance company providing the insurance policy and the insurance agent; and
- (c) The commission expected to be received from the insurance company as a result of a successful sale of the insurance policy.

**Account Settlement Between Insurance Companies and Corporate Insurance Agent**

33. The corporate insurance agent shall submit the insurance premiums collected from the insured to the insurance company within 5 days from such receipt, in accordance with the insurance agent agreement between the insurance company and the corporate insurance agent. Notwithstanding the foregoing, the insurance company shall be liable for any loss arising as result of the corporate insurance agent collecting the insurance premiums on behalf of the insurance company.

34. The insurance companies and the corporate insurance agent shall undertake an account settlement at least once in every three months.

35. The corporate insurance agent shall reconcile receivable commissions and payable premiums against each insurance company. The corporate insurance agent shall maintain the financial statements and accounts.

**Prohibitions**

36. No person, including the insurance companies, corporate insurance agents and insurance agents, shall undertake any of the following:

- (a) Soliciting, undertaking discussions, negotiating or providing consultation services in relation to any insurance policy in exchange for a fee or commission without having in place a valid insurance agent licence or corporate insurance agent licence;

- (b) Any person whose insurance agent licence has been revoked or suspended for any reason, or any person whose application for an insurance agent licence has been rejected for any reason participating in any insurance business organisations;
- (c) Improperly controlling, embezzling or converting the money or property received in connection with the insurance business;
- (d) Intentionally misrepresenting the terms and conditions of any executed or draft insurance policy or insurance proposal;
- (e) Providing false information to the potential customers, policy holders or insured persons, or failing to disclose or highlight the material information that is likely to have an impact on the decision of the insured;
- (f) Prohibiting the potential customers from reporting the material information that is likely to have an impact on the insurance policy to the insurance companies;
- (g) Inducing the potential customers to provide false information that is likely to have an impact on the insurance policy to the insurance companies;
- (h) Inducing the insured to terminate or render void an existing insurance policy and apply for a new insurance policy, without informing the insured of the associated disadvantages;
- (i) Providing the insured, the potential customers or the members of the public with false information that could materially affect their decision on executing an insurance policy;
- (j) Forging another person's name in any document relating to the insurance business or any insurance policy;
- (k) Being financially irresponsible or behaving in a manner that is in breach of trust, being technically incompetent, being dishonest, being coercive, or being deceptive in the conduct of the insurance business;
- (l) Knowingly accepting insurance service from a person who does not have in place a valid insurance agent licence;
- (m) Knowingly or wilfully making any false or fraudulent statements or representations in the insurance policy application, presenting a false or

fraudulent claim, or providing false or forged proof of loss or any other document in support of such false or fraudulent claim;

- (n) Failing to pay income tax;
- (o) Soliciting, negotiating, or selling any class of insurance product which has not been approved by the IBRB;
- (p) Inducing, coercing or engaging in any unbefitting conduct for purposes of controlling the insurance business;
- (q) Abetting or misleading the insurance agents not to perform their duty with honesty; and
- (r) Such other matter as may be prescribed in the rules and regulations issued by the IBRB from time to time.

### **Reporting Breach of Rules and Regulations**

37. An insurance company that has sufficient grounds to believe that an insurance agent or a corporate insurance agent with which it is conducting business is involved in misappropriation of insurance premiums, forging insurance accounts or other criminal acts shall immediately send a report to the FRD.

### **Documents Keeping**

38. The insurance companies and corporate insurance agents shall maintain and protect the documents, reports, records and supporting documents against any loss by the insured.

### **Supervision of Insurance Companies and Insurance Agents**

39. (a) The insurance agents shall provide the information requested by the FRD in accordance with the prescribed format.
- (b) In the event that an insurance agent fails to comply with the orders and directives issued by the IBRB, including this Directive, the FRD shall have a right to inspect or request for all accounts, records, documents and any other information relating to the insurance agent service which the relevant insurance agent has undertaken.
- (c) In the event that a corporate insurance agent is aware of any non-compliance of any of its insurance agents but fails to rectify such non-compliance or report such non-compliance to the FRD accordingly, the corporate insurance agent shall be liable

to a suspension, termination or refusal for renewal of its corporate insurance agent licence.

(d) The IBRB shall direct the insurance companies and corporate insurance agents to put in place the necessary programmes to prevent non-compliance by insurance agents with the relevant laws, rules, regulations and other applicable laws.

(e) The IBRB shall require the corporate insurance agents and the insurance agents to take appropriate measures under the following circumstances:

- (i) Evidence of unfair treatment;
- (ii) Failure to provide the necessary information to potential customers;
- (iii) Not having in place sufficient procedures for the insurance business;
- (iv) Failure to maintain adequate internal controls, and proper records of files and documentation;
- (iv) Failure to identify or manage conflicts of interest; or
- (v) Inability to continue operating the insurance business.

(f) The FRD shall assess the compliance by the insurance agents and their affiliated insurance companies with the actions taken by the IBRB. If there is any failure to fully comply such actions taken by the IBRB, the IBRB may take such further actions as it deems necessary.

(g) In the event of a complaint lodged by a person or under the directions of the IBRB, the FRD may conduct investigations to verify whether the insurance company, corporate insurance agent or insurance agent is engaged in any unfair competition or is engaged in any other acts prohibited by law, regulations or other laws.

### **Dispute Resolution Mechanism**

40.(a) The insurance companies and the corporate insurance agents shall establish policies and procedures to address the disputes or complaints in a fair manner. The actions taken with respect to each complaint shall be recorded in writing.

- (b) The insurance companies and the corporate insurance agents shall address the complaints and shall respond to the person who has lodged the complainant with an update of the actions which have been taken.
- (c) The IBRB may issue directives on addressing the complaints if necessary, and the decision of the IBRB shall be final and conclusive.

**Taking Action**

41. Any insurance agent, corporate insurance agent or insurance company who is found to be in breach of the prohibitions contained in Paragraph 36 of this Directive shall be liable under Section 22, 26, 27 and 28 of the Insurance Business Law.

**Miscellaneous**

42. The existing insurance agents whose insurance agent licences had previously been approved by the IBRB before the promulgation of this Directive shall complete the specified number of hours at the Continuous Professional Development (CPD) sessions conducted at the Insurance Agent Training Institute and shall comply with the requirements prescribed in this Directive.

Maung Maung Win  
Chairman  
Insurance Business Regulatory Board

Letter No. FRD/IBRB/ 033 /2020

Date: 4<sup>th</sup> March, 2020

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Secretary

Insurance Business Regulatory Board