



NEWSLETTER

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Vietnam National Reinsurance Corporation

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CORPORATE GOVERNANCE MILESTONE: VINARE EARNS TOP HONORS AT AF8 AND VLCA

The year 2025 marked a period of robust growth for Vietnam National Reinsurance Corporation (VINARE), as the Corporation not only fulfilled but exceeded its planned targets, thereby establishing a solid foundation for its long-term development strategy.

VINARE recorded total revenue of VND 3,870 billion in 2025, representing a 16.6% year-on-year increase and achieving 107.7% of the annual plan. Of this, earned premiums reached VND 3,410 billion, up 17.6% y-o-y, while investment income amounted to VND 460 billion, an increase of 9.8% y-o-y. Thanks to the effective alignment between business operations and financial management, the Corporation's profit before tax reached VND 507 billion, up 9.1% year-on-year.

CORPORATE GOVERNANCE MILESTONE: VINARE EARNS TOP HONORS AT AF8 AND VLCA

These positive business results not only reflect strong executive capability but also provide clear evidence of the critical role of corporate governance in enhancing operational efficiency and strengthening market confidence. Building on this foundation, 2025 also marked a significant milestone in VINARE’s journey to elevate its corporate governance practices, as the Corporation was consecutively honored at two of the market’s most prestigious events: the 8th Annual Forum on Corporate Governance (AF8) and the 18th Vietnam Listed Company Awards (VLCA).



On 5 December in Ho Chi Minh City, VINARE was named in three major categories at AF8, including: ACGS20 – Top enterprises committed and pioneering toward ASEAN Asset Class Standards, Top VNCG50 2025 – Recognizing enterprises leading in Good Corporate Governance toward the VNCG50 index, and Top 05 “Board of the Year” 2025. This marks the first time VINARE has simultaneously been recognized in all three categories, reflecting strong market recognition of the company’s governance capabilities and its pioneering role in applying transparency standards aligned with regional and international practices. Beyond merely meeting regulatory requirements, VINARE has proactively aligned itself with international governance standards such as ACGS and VNCG50, underscoring its commitment to achieving elevated levels of transparency, accountability, and effectiveness – attributes highly valued by investors.

Corporate Governance – A Strategic pillar at VINARE

Over the years, VINARE has identified corporate governance as a strategic pillar and a foundation for sustainable growth in the insurance and reinsurance sector. The company continues to refine its governance structure toward greater separation of roles, professionalism, and efficiency; strengthen the supervisory role of the Board of Management; emphasize long-term strategic planning; and embed governance practices into its risk management culture. VINARE is also transitioning from a passive compliance mindset to a proactive compliance approach, accelerating digital transformation, standardizing data, diversifying disclosure channels, advancing ESG policies, and enhancing engagement with shareholders and investors. The company has also developed and issued a Corporate Culture Code based on integrity, transparency, and accountability, helping to foster a modern governance mindset across its entire system and enabling faster alignment with ASEAN and global corporate governance standards. Thanks to this strong strategic orientation, corporate governance practices at VINARE have moved beyond slogans and are now delivering practical effectiveness – strengthening the company’s reputation in the capital market, improving risk management quality, and enhancing shareholder trust.

This year's AF8 attracted more than 320 participants from enterprises, investment funds, financial institutions, and both domestic and international experts. The event was organized by the Vietnam Institute of Directors (VIOD) with the support of the International Finance Corporation (IFC), the Swiss Secretariat for Economic Affairs (SECO), the State Securities Commission, and Vietnam's stock exchanges. As the leading corporate governance forum in Vietnam, AF8 reflects the market's growing emphasis on transparency and sustainable development standards.

VINARE continues to excel at VLCA 2025

Alongside its achievements at AF8, on 3rd December, VINARE was once again recognized at the 18th Listed Companies Awards (VLCA), securing a position among the Top 10 Mid-Cap Companies with Best Corporate Governance. Selected from hundreds of listed companies reaching the final round, this result highlights VINARE's sustained efforts in maintaining transparent, high-quality disclosures and building a governance system aligned with best practices. The event was attended by leaders of the Ministry of Finance, the State Securities Commission, Vietnam's stock exchanges, and more than 300 listed companies, underscoring VLCA's reputation and its critical role in raising corporate governance awareness over the past 18 years.

A Foundation for sustainable development

VINARE's simultaneous recognition across all three AF8 categories and at the 18th VLCA serves as an objective affirmation of the company's long-term commitment to sustainable development. These achievements reinforce shareholder and investor confidence in the company's strategic direction while demonstrating VINARE's governance capabilities amid rising expectations of transparency, international standards, and risk management in the insurance and reinsurance industry.

More importantly, this recognition serves as a catalyst for VINARE to further strengthen its governance framework in accordance with global best practices, elevate management quality, and enhance operational performance. For VINARE, these awards are not the final objective but rather a reaffirmation of its responsibility to continuously innovate governance thinking, improve competitiveness, accelerate digital transformation, enhance disclosure standards, and reinforce its pioneering role in Vietnam's reinsurance sector.

By staying committed to modern governance and sustainable development principles, VINARE aims not only to contribute positively to the advancement of Vietnam's insurance sector but also to accompany the country's efforts to elevate its capital market in the broader context of regional and global integration.

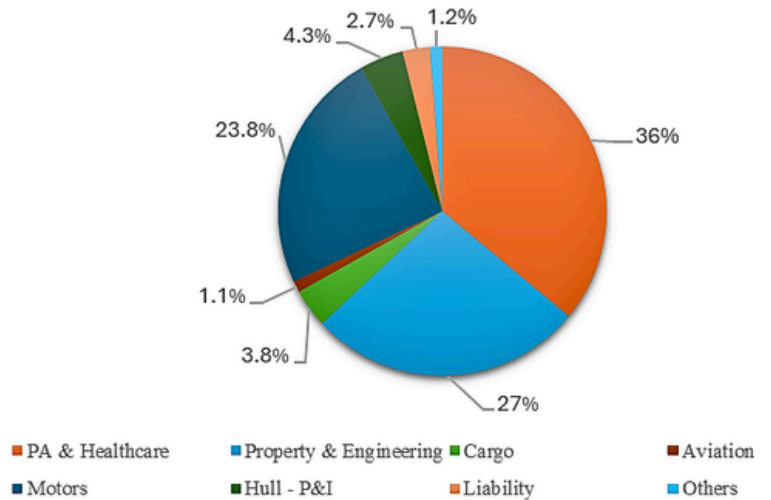


VIETNAM'S NON-LIFE INSURANCE MARKET IN 2025: GROWTH AMID INTENSIFYING COMPETITION

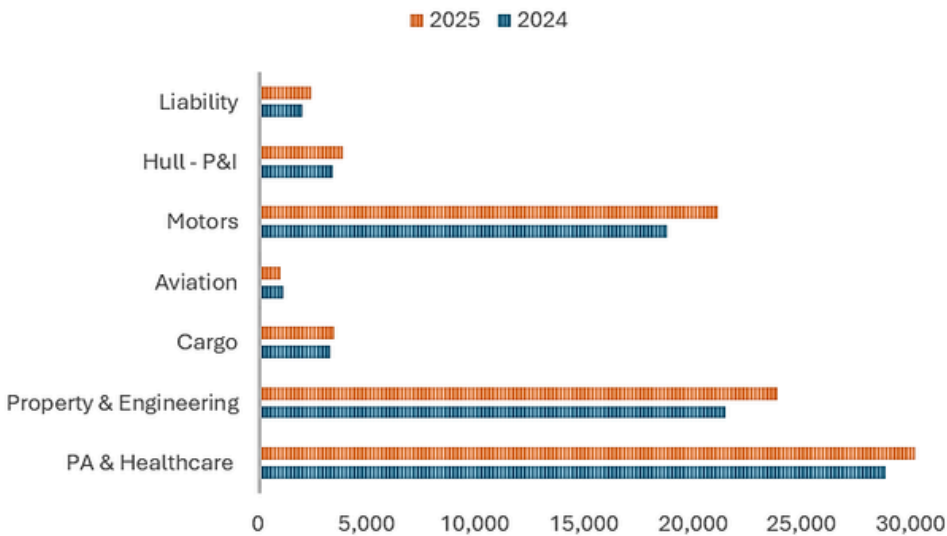
Vietnam's insurance market continued to expand in 2025 despite a challenging operating environment marked by rising catastrophe losses and intensifying competition. According to preliminary data from the Insurance Association of Vietnam, total insurance premium revenue reached approximately VND 237.2 trillion, representing growth of 4.0% compared with the previous year. Within this total, the non-life insurance segment recorded premium revenue of VND 88,071 billion, reflecting a robust year-on-year increase of 11%.

Beyond premium growth, the year also saw notable developments in the competitive landscape. In particular, the Vietnamese insurance market welcomed the entry of several new players, including Techcomlife and Alpha Re, following the launch of Techcom Insurance in late 2024. The arrival of these new entrants is expected to intensify competition and accelerate innovation in product development, technology adoption and distribution strategies.

Premium income by line of business



Premium development by line of business (Unit: VND Billion)



Despite positive premium growth, the loss environment in 2025 highlighted increasing exposure to natural catastrophe risks. Preliminary estimates suggest that total paid losses in the non-life insurance sector reached approximately VND 28 trillion, slightly higher than in 2024.

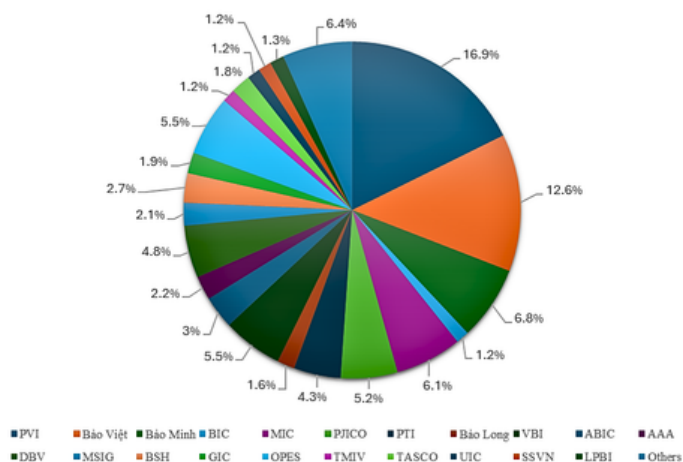
Natural disasters remained a major source of economic loss during the year. Total economic losses from natural catastrophes were estimated at nearly VND 100 trillion - the highest level recorded to date. A series of severe storms, heavy rainfall events and flooding episodes underscored the growing volatility and unpredictability of weather patterns in Vietnam.

From an insurance perspective, preliminary data indicate that insured losses associated with Typhoons Bualoi, Matmo and Kalmaegi, together with widespread flooding in the Central region during the fourth quarter of 2025, amounted to nearly VND 2,500 billion. While these losses remain moderate relative to major global catastrophe events, recent storms - including Typhoon Yagi in 2024 and subsequent events in 2025 - have highlighted the increasing vulnerability of Vietnam's insurance market to climate-related risks. As insurance penetration and economic assets continue to expand, exposure to catastrophe losses is likely to rise accordingly.

Financial results released by insurers for the fourth quarter and full year of 2025 point to a market characterized by both resilience and evolving competitive dynamics. PVI and Bao Viet continued to dominate the market, maintaining a clear lead over other insurers. Bao Viet Insurance reported gross written premiums of approximately VND 11,132 billion, while PVI retained the leading position with VND 14,908 billion. Notably, 2025 also marked an important milestone for Vietnam's non-life insurance sector, as PVI Insurance Corporation became the first insurer in the country to surpass the USD 1 billion revenue threshold. Total revenue reached VND 27,266 billion, representing growth of 33.5% compared with 2024. The company currently maintains an A- financial strength rating from AM Best.

VIETNAM'S NON-LIFE INSURANCE MARKET IN 2025: GROWTH AMID INTENSIFYING COMPETITION

Market share by insurer



Among the following group of insurers, Bao Minh reported gross written premiums of VND 5,968 billion. MIC ranked fourth with VND 5,414 billion, followed by BIC with VND 5,135 billion, PJICO with VND 4,618 billion and PTI with VND 3,757 billion. Overall, the sector demonstrated a relatively strong degree of resilience despite a more challenging competitive environment. However, intensifying competition and evolving market conditions continue to place increasing pressure on insurers to enhance underwriting discipline, strengthen risk management frameworks and improve operational efficiency.

Distribution Channels and Product Developments

The bancassurance channel showed signs of recovery in 2025 and continued to strengthen its role within Vietnam's non-life insurance distribution landscape. Bancassurance has increasingly become an important growth driver, particularly for retail-oriented products such as personal accident and health insurance, motor insurance and homeowners' insurance. These products are also becoming progressively more digitalized, improving accessibility and customer experience. At present, bancassurance activity remains heavily concentrated in retail product segments, particularly personal insurance and motor insurance. While this has supported short-term growth, it may also present structural challenges for the long-term diversification of the market.

Insurers have continued to accelerate investment in digital transformation and information technology infrastructure in order to enhance competitiveness and optimize operational efficiency. The market has also seen increasing participation from technology firms and startups, particularly in areas such as claims assessment and claims management for retail insurance lines, where high claim volumes require faster and more efficient settlement processes.

Another notable trend has been the expansion of insurance ecosystems through strategic partnerships with banks, technology companies, automobile manufacturers and distributors, as well as large distribution networks. These partnerships are helping insurers broaden customer reach while strengthening their competitive positioning. At the same time, insurers have introduced upgraded products offering broader protection and longer-term benefits. Technological solutions such as artificial intelligence (AI), optical character recognition (OCR) and automated claims processing are increasingly being deployed to streamline claims management and improve service efficiency. Taken together, these developments suggest that Vietnam's non-life insurance market is gradually evolving toward a more digitalized, ecosystem-based and multi-channel distribution model.

Profitability Remained Positive

Financial results for the fourth quarter of 2025 indicate that many insurers maintained positive profitability despite rising competitive pressure. BIC reported pre-tax profit of VND 648.3 billion, a slight year-on-year increase. MIC recorded pre-tax profit of VND 408.8 billion, up 32.6% year-on-year. PJICO posted pre-tax profit of VND 306.1 billion, an increase of 5.1%, while Bao Minh reported VND 305.5 billion, representing growth of 12.0%. ABIC achieved pre-tax profit of VND 318.8 billion, increasing by 24.5% compared with the previous year. In contrast, PTI recorded a decline in profitability, with pre-tax profit reaching VND 360.4 billion, equivalent to approximately 90% of its 2024 level.

Looking ahead, Vietnam's insurance market continues to offer significant long-term growth potential. Under the Government's Strategy for the Development of Vietnam's Insurance Market to 2030, the industry aims to achieve average annual premium growth of around 10% during the 2026–2030 period, with total market size expected to reach approximately 3.3–3.5% of GDP by 2030.

In terms of market penetration, the proportion of the population participating in life insurance is targeted to reach approximately 18% by 2030. Meanwhile, premium revenue generated through digital distribution channels is projected to grow at an average rate of around 10% per year during the 2023–2030 period.

Against a backdrop of rising competition and increasing exposure to catastrophe risks, the future trajectory of Vietnam's non-life insurance sector will depend largely on insurers' ability to strengthen underwriting discipline, enhance risk management capabilities and adapt to a rapidly evolving market environment.

INDEX-BASED AGRICULTURE INSURANCE: GLOBAL GROWTH TRENDS AND IMPLICATIONS FOR VIETNAM

In the context of increasingly uncertain climate change, farmers in many countries—including Vietnam, one of the nations most vulnerable to natural disasters—are facing growing exposure to extreme weather events. In response, index-based agriculture insurance has emerged as an important tool for mitigating climate-related losses.

Index-Based insurance

Unlike traditional insurance, which compensates policyholders based on actual losses assessed through on-site inspections, index-based insurance relies on predefined parameters to determine when indemnity payments are triggered. Currently, the most widely used forms of index-based agriculture insurance include area-yield index insurance, which is based on the average yield within a defined geographic area; weather index insurance, which relies on weather indicators such as temperature and rainfall collected from meteorological stations; and satellite-based index insurance, which utilizes remote sensing data, including vegetation indices such as NDVI and EVI, as the basis for designing insurance products.

Benefits for farmers and insurance companies

One of the most significant advantages of index-based insurance is the substantially shorter claims settlement process compared with traditional insurance products. Instead of waiting for field-based loss assessments, insured farmers can receive indemnity payments within a few days after the occurrence of the insured event, without having to complete complex claims procedures typically associated with conventional insurance schemes. This enables policyholders to obtain timely financial support, helping them recover from losses and resume production more quickly.

Because index-based insurance does not require extensive and resource-intensive loss assessment systems, and because payouts often function as partial financial support rather than full indemnification, premiums are generally more affordable than those of traditional insurance products. This improves accessibility and increases the likelihood that farmers – particularly low-income households – will participate in insurance programs and benefit from risk protection. In addition, in some countries such as India and Mongolia, participation in agriculture insurance programs has also facilitated farmers' access to preferential bank loans, as insurance coverage reduces the credit risk perceived by financial institutions.

For insurers, index-based products significantly reduce the cost and administrative complexity associated with claims assessment. Moreover, such products can be designed flexibly according to crop types, geographic regions, and growing seasons, allowing insurers to expand their customer base and better address diverse insurance needs. The use of transparent and clearly defined indices in insurance contracts also helps minimize disputes regarding claim payments, particularly in cases where policyholders and insurers may disagree on the valuation of actual losses.



Global trends in index-based agriculture insurance

According to Allied Market Research, the global market for index-based agriculture insurance was valued at approximately USD 5.9 billion in 2023 and is projected to reach USD 11.3 billion by 2033, representing a compound annual growth rate (CAGR) of 6.5% between 2024 and 2033. In terms of market share, the Asia-Pacific region accounted for the largest share of the global index-based agriculture insurance market in 2023. This is largely due to the region's frequent exposure to extreme weather events such as typhoons, floods, and droughts, which increases demand for agriculture risk protection solutions. Regarding growth prospects, the LAMEA region (Latin America, the Middle East, and Africa) is expected to record the fastest growth during the forecast period. This trend is driven by the rapid development of agriculture sectors in these regions, rising awareness of climate change, and increasing demand for effective risk mitigation strategies.

With hundreds of millions of farmers worldwide seeking protection against natural disasters and climate-related risks, index-based agriculture insurance is attracting increasing attention from governments and insurance markets globally. In the Asia-Pacific region, however, China and India remain the only countries that have implemented index-based agriculture insurance on a relatively large scale, including both yield-based and weather-based insurance programs. This progress has been largely supported by strong government intervention and subsidy programs. By contrast, many developing countries in the region continue to face significant challenges in scaling up index-based agriculture insurance programs, with most initiatives remaining at the pilot or small-scale implementation stage.

The practice of index-based agriculture insurance in Vietnam

In Vietnam, several index-based agriculture insurance products have been piloted over the past decade. With support from the state budget through premium subsidies



for farmers and agriculture production organizations, area-yield index insurance for rice was piloted during 2011–2013 under Decision No. 315/QĐ-TTg on the pilot implementation of agriculture insurance, and later during 2020–2021 under Decision No. 22/2019/QĐ-TTg on agriculture insurance support policies. However, premium revenues generated from these programs have remained relatively modest compared with the significant potential of Vietnam’s agriculture sector in terms of cultivated area and production scale. Currently, several primary insurers in Vietnam have introduced index-based insurance products such as rainfall index insurance and typhoon index insurance. Nevertheless, the scale of these products remains limited, both in terms of the number of participating policyholders and the geographic coverage of implementation.

Challenges for the Vietnam Market

Demand for agriculture insurance products, including index-based insurance, is widely considered substantial. However, the development and large-scale implementation of these products continue to face several structural challenges.

First, according to many experts, pricing agriculture insurance products requires reliable historical datasets covering at least ten years. At present, Vietnam has only around 200 traditional meteorological stations and more than 2,500 specialized rainfall monitoring stations, resulting in relatively low station density and incomplete historical datasets. This poses considerable challenges for actuaries and insurance specialists when determining appropriate premium rates. In addition, remote sensing initiatives supporting agriculture insurance remain limited. For example, the Remote Sensing-based Information and Insurance for Crops in Emerging Economies (RIICE) project, funded by Switzerland, concluded at the end of 2021. Incomplete meteorological and environmental datasets make it more difficult to design reliable and actuarially sound insurance products.

Moreover, when programs are implemented on a limited scale, the cost of data collection and processing can become a significant burden for insurance companies. To successfully deploy index-based agriculture insurance programs at scale, strategic investment in national data infrastructure will be essential. This includes expanding the meteorological observation network, promoting the application of remote sensing technologies for agriculture monitoring, reducing the cost of accessing and utilizing relevant datasets for insurers participating in index-based agriculture insurance schemes.

For policyholders, understanding and accepting basis risk—a key feature distinguishing index-based from traditional insurance – also takes time. Compensation is based on objective indicators such as rainfall, temperature, or regional yields rather than actual losses at a specific location. This may result in mismatches between losses and payouts, highlighting the need for effective communication and training to improve farmers’ understanding.

Although premiums are generally lower than traditional products, affordability remains a barrier, particularly for low-income farmers, as insurance is often not seen as a priority expenditure. Accordingly, government-supported agriculture insurance programs should be integrated into broader policy frameworks. For example, insurance participation could be linked with preferential credit programs rather than offered as stand-alone products. Establishing monitoring and evaluation systems will also be essential to ensure long-term effectiveness and sustainability.

Agriculture production takes place over large areas and is highly vulnerable to natural conditions. As extreme weather events become more frequent, traditional insurance often struggles to meet farmers’ needs or remains unaffordable. Index-based insurance helps address this gap by enabling faster recovery after natural disasters. It can also reduce the fiscal burden of post-disaster support while encouraging more efficient and sustainable agricultural investment. Advances in satellite technology and data analytics are expected to improve product accuracy and affordability, supporting market expansion. With continued technological progress and growing awareness, index-based agriculture insurance holds strong potential for future growth.

CONSTRUCTION INSURANCE FOR NUCLEAR POWER PLANT PROJECTS

The construction of large-scale energy infrastructure - particularly nuclear power plants—entails substantial technical, financial, and safety risks. In this context, Construction All Risks and Erection All Risks insurance (CAR/EAR) plays a critical role in protecting project owners, contractors, and other stakeholders against potential losses that may arise during the construction and installation phases.

In the digital era, rapid technological advancement across sectors such as manufacturing, construction, and agriculture has led to the widespread adoption of advanced machinery, automated production lines, and mechanized systems that increasingly replace manual labor. As industrial activity expands and production processes become more technology-intensive, the demand for reliable and large-scale energy supply has become increasingly urgent across many countries and regions.

Modern industrial systems require stable and continuous energy to operate efficiently. Consequently, the development of power generation facilities capable of turning out large amounts of electricity with high reliability has become a strategic priority. Unlike coal-fired power plants, which depend heavily on fuel inputs, or renewable energy sources such as hydropower, solar, and wind power, which are subject to weather variability, nuclear power offers a stable and high-capacity energy solution. For this reason, nuclear energy has emerged as a strategic option for countries seeking to position themselves as global centers of technological development and industrial manufacturing, including the United States, China, and Japan.

Against this global backdrop, Vietnam has also begun reassessing the potential role of nuclear power as part of its long-term energy strategy.

Nuclear Power Development in Vietnam

Vietnam's Ninh Thuan Nuclear Power Project was initially approved by the National Assembly in 2009 with a planned capacity of 4,000 MW, consisting of two nuclear power plants covering a total area of approximately 1,642 hectares. However, in 2016, the National Assembly adopted a resolution to suspend the project due to several objective considerations.

On 25 November 2024, the 13th Central Committee of the Communist Party of Vietnam agreed in principle to restart the Ninh Thuan Nuclear Power Project and to continue studying the development of a national nuclear power program.

According to Vietnam's Power Development Plan VIII (PDP8), the country is expected to require approximately 150,000 MW of total power generation capacity by 2030, increasing significantly to around 490,000–573,000 MW by 2050. With electricity demand projected to grow at an average annual rate of about 10%, Vietnam faces an urgent need to develop stable and reliable energy sources to ensure national energy security and support long-term socio-economic development.

While solar and wind power are expected to play an important role as green energy sources in the future, their intermittency and dependence on natural conditions continue to limit their contribution to the power system. At the same time, coal-fired power plants are facing increasing pressure due to global commitments to reduce carbon emission. Against this backdrop, nuclear power has once again emerged as a strategic energy option.

Since around 2018, several advanced Generation III+ pressurized water reactor (PWR) technologies—such as Russia's VVER-1200/AES-2006, the United States' AP1000, South Korea's APR-1400, France's EPR-1750, and India's ACR-700 - have been commissioned in countries including Russia, China, Belarus, the United States, the United Arab Emirates, Finland, France, and India. At the same time, additional Generation III+ reactors are currently under construction in countries such as Turkey, the United Kingdom, Russia, and Bangladesh.

Generation III+ reactor designs are developed to meet the highest post-Fukushima safety standards. These technologies incorporate a balanced combination of active and passive safety systems, ensuring a high level of operational safety while significantly mitigating the consequences of potential accidents, including beyond-design-basis events such as aircraft impact or a complete loss of external power supply. Even in extreme scenarios involving core meltdown, radioactive materials are designed to remain safely contained within the reactor building, preventing their release into the surrounding environment.

The Ninh Thuan 1 Nuclear Power Plant is expected to adopt one of these advanced technologies. However, the specific reactor technology and construction contractor have not yet been officially announced.

Alongside technological considerations, the development of nuclear power also requires a comprehensive legal and regulatory framework, particularly in relation to liability, insurance arrangements, and financial security mechanisms.

Legal Framework for Nuclear Liability and Insurance in Vietnam

CONSTRUCTION INSURANCE FOR NUCLEAR POWER PLANT PROJECTS



As Vietnam moves forward with the restart of its nuclear power program, the development of an appropriate legal framework and technical infrastructure for construction insurance, nuclear liability insurance, and risk management will be essential to ensure the safe and effective implementation of such projects.

In preparation for the development of nuclear power, Vietnam has gradually strengthened its legal framework governing nuclear liability and insurance obligations.

The Law on Atomic Energy No. 94/2025/QH15, adopted by the National Assembly on 27 June 2025 and effective from 1 January 2026, introduces important provisions related to nuclear damage compensation and financial security. In particular, Article 69 (Compensation for Nuclear Damage) and Article 70 (Financial Security) address several key aspects, including:

- the definition of nuclear damages
- the entity liable for nuclear damage compensation
- compensation limits, compensation principles, and statutes of limitation for claims
- the requirement that operators of nuclear facilities must obtain and maintain insurance or other forms of financial security in accordance with the law to ensure their liability for nuclear damage can be fulfilled.

Following this law, Decree No. 332/2025/ND-CP, issued on 18 December 2025 and effective from 1 January 2026, provides further regulatory guidance. Articles 104 and 105 of the Decree set out detailed provisions regarding nuclear damage compensation and financial security mechanisms applicable to investors or operators of nuclear facilities.

Given their massive investment scale, highly specialized technical requirements, and significant risk exposure, nuclear power plant projects are widely regarded as among the most complex infrastructure developments in the world and typically involve some of the highest insurance costs. Therefore, a comprehensive understanding of the characteristics and coverage scope of construction and erection insurance for such projects is essential for investors, regulators, and insurance providers alike. In practice, however, underwriting insurance for nuclear power plant construction presents a number of unique challenges that differ significantly from those of conventional infrastructure projects.

Insurance challenges in Nuclear Power Plant Construction

3.1 Liability limits for nuclear risks

Standard liability limits applicable to nuclear risks vary depending on the legal framework of each country. In most jurisdictions, these limits are determined in accordance with international conventions such as the Vienna Convention or the Paris Convention on nuclear liability.

3.2 Construction period

Nuclear power plant projects typically require a long insurance period—often around seven to eight years—covering both construction and maintenance phases. As a result, many (re)insurers may encounter challenges in obtaining internal approval or approval from their retrocessionaires for such extended construction periods.

It is therefore essential that the financial capacity of participating (re)insurers is sufficiently robust to support the project throughout the entire construction cycle, which may extend to ten years or more. Equally important is the commitment of these (re)insurers to maintain a consistent underwriting philosophy and discipline in relation to nuclear risks, as frequent shifts in underwriting strategy could undermine the long-term stability required for such projects.

CONSTRUCTION INSURANCE FOR NUCLEAR POWER PLANT PROJECTS

3.3 Warranty Period

Although warranty periods are primarily defined through commercial agreements between project owners and equipment suppliers, CAR/EAR policies typically do not provide warranty coverage exceeding 24 months. In addition, CAR/EAR policies generally cannot extend warranty coverage to assets located within the reactor area, as these components—once nuclear fuel has been loaded—are typically transferred to coverage under specialized nuclear insurance pools.

Based on international experience and the specific risk characteristics of nuclear power projects, the insurance sector plays a particularly important role in risk sharing, post-loss recovery, and ensuring the long-term financial sustainability of the energy sector.

While domestic insurers may participate in underwriting nuclear insurance policies - including through co-insurance arrangements - the reinsurance placement for such risks cannot be arranged through conventional mechanisms. This is primarily because standard treaty reinsurance programs typically include nuclear risk exclusions (such as the NMA 1975 clause), while the number of nuclear risks globally remains limited despite their exceptionally large potential loss exposures.

As a result, the insurance of nuclear facilities worldwide has gradually evolved under a specialized market structure designed specifically to manage the unique risk profile of nuclear installations.

Under international practice, insurance for nuclear power plants is typically organized through Nuclear Insurance Pools. These pools are established in countries that operate nuclear power programs and serve to aggregate the underwriting capacity of the domestic insurance market.

They also facilitate reciprocal reinsurance arrangements with nuclear insurance pools in other countries, enabling the global nuclear insurance market to effectively diversify and distribute risk.

In a recent development, on 29 August 2025, Vietnam Electricity (EVN) held a working session with the Insurance Supervisory Authority under the Ministry of Finance, the Insurance Association of Vietnam, and several domestic insurers and reinsurers—including VINARE—to discuss potential insurance arrangements for the Ninh Thuan Nuclear Power Plant.

At this stage, the discussions remain preliminary and largely exploratory, focusing on clarifying the applicable legal framework, assessing the potential participation of the domestic insurance market, and considering appropriate implementation approaches for nuclear insurance coverage in the future.



MOTOR INSURANCE MARKET IN 2025 AND OUTLOOK FOR 2026



The motor insurance market showed clear signs of recovery in 2025 following a period of contraction. Growth was supported by rising vehicle sales, regulatory developments, the digitalization of insurance certificates, and intensifying competition among insurers. These factors collectively contributed to a more dynamic market environment and improved premium performance.

As of December 2025, total motor insurance premium revenue reached VND 20,971 billion, accounting for 23.8% of the total non-life insurance market and representing a year-on-year increase of 12.2%. Total claims amounted to VND 9,171 billion, corresponding to a loss ratio of 43.7%.

Premium revenue from compulsory third-party liability insurance for motor vehicle owners reached VND 5,456 billion, accounting for 6.2% of the market and increasing by 20.2% compared with 2024, with claims totaling VND 929 billion. Voluntary motor insurance generated VND 15,515 billion in premium income, up 9.6% year-on-year and accounting for 17.6% of the market, with claims amounting to VND 8,241 billion.

Overall, the motor insurance segment recorded steady growth in 2025, with particularly strong performance in the compulsory liability segment.

Regulatory developments supporting market expansion

Regulatory developments continued to shape market dynamics in 2025. Insurance companies completed the registration of their premium pricing methodologies and rating bases in accordance with Circular No. 67/2023/TT-BTC, with approval from the Ministry of Finance. The requirement strengthens regulatory oversight while promoting greater transparency in pricing practices across the market.

In addition, Decree No. 168/2024/ND-CP came into effect on January 1, 2025, introducing higher penalties for traffic violations. Fines for motorcycle and motorbike drivers who fail to carry a valid motor insurance certificate have been increased to between VND 200,000 and VND 300,000. The measure is expected to improve compliance with compulsory motor third-party liability insurance requirements and support premium growth in this segment.

Greater regulatory attention and increased public awareness regarding compulsory motor insurance also place higher expectations on insurers in terms of regulatory compliance, transparency in policy conditions, and effective claims settlement. In response, insurers are increasingly focused on improving service quality, simplifying policy issuance processes, and enhancing claims handling efficiency.

MOTOR INSURANCE MARKET IN 2025 AND OUTLOOK FOR 2026

Market outlook: opportunities and pressures in 2026

Looking ahead to 2026, the motor insurance market is expected to remain dynamic. Insurers will need to balance growth ambitions with profitability, particularly in the voluntary segment where loss ratios remain elevated.

Several structural factors are likely to influence underwriting performance. Rising spare-parts costs driven by inflation continue to increase claims severity. At the same time, repair costs for electric vehicles remain significantly higher than for conventional vehicles due to the presence of expensive sensors and battery systems. Persistent insurance fraud also continues to exert pressure on loss ratios.

In addition, episodes of heavy rainfall and urban waterlogging are expected to continue posing challenges, as they can cause simultaneous damage to a large number of motor vehicles, leading to spikes in claims frequency. Vehicles affected by water ingress, particularly hydrolock, may suffer severe mechanical damage requiring costly repairs, thereby increasing claims severity. This environment is likely to drive demand for portfolio protection reinsurance arrangements—such as motor aggregate/stop loss and quota share treaties—as insurers seek to stabilize underwriting results during the rainy season.

The ongoing expansion of the electric vehicle market, supported by government incentives, presents both opportunities and challenges for insurers. While EV adoption is expected to generate additional premium growth, it also requires insurers to develop specialized products and refine risk assessment approaches. Pricing remains challenging due to the limited availability of long-term claims data for electric vehicles.

To address these challenges, insurers are increasingly investing in digital technologies and advanced analytics. Artificial intelligence is being applied in claims assessment and fraud detection. Digital claims applications allow policyholders to submit images of vehicle damage, enabling automated damage assessment and faster claims processing for straightforward cases. AI-based data analytics can also help identify abnormal claim patterns and potential fraud, thereby improving operational efficiency and risk management.

Policy developments and structural market changes

From 2026 onward, tax policy adjustments are expected to influence both the automobile and insurance markets. In particular, the application of a special consumption tax rate equivalent to 70% of that imposed on conventional gasoline vehicles for hybrid cars is expected to stimulate demand for this segment.



Hybrid vehicles are therefore likely to become an increasingly important component of the motor insurance market, given their risk profile positioned between conventional and fully electric vehicles.

At the same time, tariff reductions under new-generation free trade agreements are gradually reshaping Vietnam's automobile market. The effective import tariff on completely built-up vehicles from the European Union is estimated to have declined to approximately 24–30%, which may lead to lower prices for luxury vehicles and increased vehicle ownership.

While this trend could expand the customer base for motor insurance, it may also place downward pressure on premium levels due to lower insured vehicle values. Meanwhile, rising spare-parts and repair costs may continue to push claims costs upward, creating additional pressure on loss ratios.

Overall, the motor insurance market in 2026 is expected to offer significant growth opportunities. However, maintaining sustainable profitability will require insurers to adapt to evolving regulatory frameworks, technological developments, and changing vehicle technologies while strengthening underwriting discipline, claims management, and risk control capabilities.

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