



# NEWSLETTER INSURANCE & REINSURANCE

Vietnam National Reinsurance Corporation

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## ESG – FROM TREND TO ACTION

### THE TRANSFORMATION JOURNEY OF VIETNAM'S INSURANCE INDUSTRY

In an era of deepening global integration, sustainable development in accordance with ESG (Environmental, Social, and Governance) standards is no longer optional – it is a prerequisite for all enterprises, particularly those operating in the financial and insurance industries. The year 2024 marks a notable turning point. According to a report by the Vietnam Chamber of Commerce and Industry, for the first time, 33 out of 702 listed companies have issued stand-alone sustainability reports – an impressive increase compared to previous years. Notably, among them are VINARE and Bao Viet Group – the only two representatives from the insurance industry.



## ESG – FROM TREND TO ACTION: THE TRANSFORMATION JOURNEY OF VIETNAM’S INSURANCE INDUSTRY

Decree No. 06/2022/ND-CP and the National Strategy for Green Growth through 2030 have also established a clear legal framework, compelling companies to integrate ESG elements into their core operations. As the “financial shield” of the economy, insurance companies now face both the pressure and the opportunity to demonstrate resilience, risk governance and long-term value creation - not only for shareholders, but also for society and the environment.



As Vietnam’s national reinsurer, VINARE plays a crucial role in underwriting systemic risk across the insurance market, while simultaneously acting as a pioneer in promoting sustainable development within the industry. In recognition of these efforts, VINARE was named among the “Top 10 ESG Green Enterprises in the Insurance Industry” – an award co-organized by the Finance & Investment Newspaper (Ministry of Finance) and Viet Research. VINARE is one of the first insurers in Vietnam to independently publish a Sustainability Report aligned with GRI standards, embedding ESG principles into its long-term strategy and operational practices. Beginning in 2024, VINARE launched an independent assessment of its greenhouse gas emissions – a decisive step toward quantifying its carbon footprint and laying the foundation for substantive emission reduction initiatives.

Operationally, VINARE has been accelerating a comprehensive digital transformation across both its core business functions and corporate governance. These efforts aim to enhance efficiency, conserve resources and optimize data processing systems. In investment and partner selection, VINARE gives priority to environmentally friendly, long-term efficient projects and enterprises that adhere to ESG principles. Concurrently, the company is fostering a corporate culture rooted in ethical standards, transparency, and diversity – core values that underpin sustainable development. VINARE is also committed to strengthening internal capacity through specialized ESG training for its staff, ensuring that every decision and action aligns with a balanced approach to economic, social, and environmental objectives.

On the broader market level, VINARE actively supports primary insurers in enhancing their capacity to respond to emerging risks, particularly those related to natural disasters and climate change. These efforts are part of a gradual shift toward more inclusive and environmentally responsible insurance models. For VINARE, sustainable development is not merely a long-term goal – it is a concrete commitment to the market, to partners, to the environment, and to the future of Vietnam’s insurance industry.

Alongside VINARE, Bao Viet – the largest financial-insurance group in Vietnam – has also made remarkable progress in integrating ESG into its corporate strategy. Bao Viet's sustainability reports have been internationally recognized for their scientific structure, transparency, and clear impact metrics. In 2023–2024, Bao Viet improved its ESG score by three levels, surpassing the industry average and ranking in the top 33% of insurers with the highest ESG ratings in the region.

Significantly, Bao Viet has outlined a detailed roadmap to achieve Net Zero by 2050. The group has committed to reducing emissions by 20% by 2025 (relative to 2018 levels), 50% by 2030, 70% by 2040 and reaching Net Zero by 2050. The roadmap focuses on reducing emissions from facilities, vehicles, and energy consumption – key sources of environmental impact in the financial-insurance sector. By setting measurable targets across decades, Bao Viet has demonstrated a clear and actionable plan, rather than offering only aspirational statements.

Other major players in the non-life insurance market – such as PJICO, BIC, MIC, and ABIC – are also making visible progress in adopting and operationalizing sustainable development goals. While each company may be at a different stage of the ESG journey, a common thread is their proactive approach and increasingly tangible commitments.

Through concrete actions – such as accelerating digital transformation, enhancing customer experience, streamlining operational processes, applying technologies to reduce resource consumption, and engaging in social initiatives – these companies are gradually building ESG foundations that align with their scale, capabilities, and operational realities. It is evident that ESG is no longer just a slogan; it is becoming an internalized part of long-term strategic development – a new operational philosophy guiding the entire industry.

Globally, as economies shift decisively toward green growth and responsible development, ESG is fast becoming a new benchmark for corporate sustainability, governance capacity, and reputation. Increasing pressure from investors, customers, and international regulatory standards is driving insurance companies to adopt a more fundamental approach to ESG. In the European Union, the Sustainable Finance Disclosure Regulation (SFDR), effective since 2021, requires financial institutions – including insurers – to disclose ESG impacts in their investment and business activities clearly and in detail. This regulation is prompting the global financial and insurance sectors to re-evaluate their business models, integrate sustainability into long-term strategies, and improve transparency in reporting.



In Vietnam, national commitments and international expectations are triggering clear shifts. Following COP26, Vietnam signed the Just Energy Transition Partnership (JETP) with G7 nations and international partners, mobilizing up to USD15.5 billion to support its green energy transition. This milestone affirms that ESG is not merely a global trend, but a strategic orientation of the Vietnamese government. For the insurance industry – particularly for companies with foreign investment – the pressure to comply with global ESG standards is intensifying.

Multinational parent corporations and international financial institutions are increasingly expecting concrete actions – not only to maintain trust, but also to remain competitive in a market that is becoming more demanding and transparent.

ESG is no longer a mere declaration. It is being internalized as a core operating philosophy across Vietnam's insurance sector – a guiding principle in building a sustainable future. In this journey, insurance companies are not only guardians of financial security, but also enduring companions helping society navigate uncertainty, and striving toward a greener, more humane, and prosperous economy.

# DECREE NO. 105/2025/ND-CP – KEY AMENDMENTS RELATING TO COMPULSORY FIRE AND EXPLOSION INSURANCE

**Decree No. 105/2025/ND-CP, issued by the Government on May 15, 2025 and effective from July 1, 2025, provides detailed guidance on the implementation of certain provisions of the Law on Fire Prevention and Fighting and Rescue Operations. This Decree sets out specific regulations concerning the organization of grassroots fire prevention and fighting forces, safety requirements for fire prevention and fighting, the list of establishments subject to compulsory fire and explosion insurance, and the contribution rate from fire and explosion insurance premiums allocated to support fire prevention, firefighting, and rescue activities.**

Decree No. 105/2025/ND-CP not only plays a critical role in enhancing the effectiveness of fire prevention, firefighting, and rescue efforts, but also has far-reaching implications for the compulsory fire and explosion insurance sector. Compared to Decree No. 67/2023/ND-CP dated September 6, 2023, Decree 105 introduces several amendments that directly affect entities required to purchase compulsory fire and explosion insurance, as well as insurers authorized to underwrite such coverage.

## **Regarding the List of Establishments required to purchase Compulsory Fire and Explosion Insurance**

The updated list stipulated in Decree No. 105/2025/ND-CP specifies 44 categories of establishments that are required to purchase compulsory fire and explosion insurance. This expanded scope - both in terms of scale and applicability - reflects the overarching objective of strengthening fire prevention awareness and ensuring the protection of people and property.

Examples of Expanded Applicability under Decree No. 105/2025/ND-CP

<b>Decree No. 105/2025/ND-CP</b>	<b>Decree No. 67/2023/ND-CP</b>
Apartment buildings or dormitories with five or more stories, or with a total floor area of 1,000 m <sup>2</sup> or more	Apartment buildings, dormitories, or student housing with seven or more stories, or with a total building volume of 10,000 m <sup>3</sup> or more
Nursery schools, kindergartens, and preschools with 50 or more children, or with a total floor area of 500 m <sup>2</sup> or more	Nursery schools, kindergartens, and preschools with 350 or more children, or with a total building volume (classrooms and related facilities) of 5,000 m <sup>3</sup> or more
Hospitals	Hospitals with 250 beds or more
Social protection facilities with buildings of three or more stories, or with a total floor area of 300 m <sup>2</sup> or more	Not previously regulated
Commercial establishments dealing in flammable goods with a total floor area of 200 m <sup>2</sup> or more	Not previously regulated

The detailed list of establishments required to purchase compulsory fire and explosion insurance is provided in Appendix VII of Decree No. 105/2025/ND-CP.

## **Compulsory fire & Explosion premium**

The Premium under Decree No. 105/2025/ND-CP have been updated with tighter control on adjustments compared to Decree No. 67/2023/ND-CP:

<b>Fire &amp; explosion prone Establishments</b>	<b>Decree No. 67/2023/ND-CP</b>	<b>Decree No. 105/2025/ND-CP</b>
Risk (excluding nuclear risks) with total sum insured at a single location of less than VND 1,000 billion	Based on the risk exposure, insurance companies were permitted to adjust premium rates by up to ±25% of the tariff rate	The provision allowing insurers to adjust premiums (±25%) has been revoked
Risk (excluding nuclear risks) with total sum insured at a single location of VND 1,000 billion or more	In all cases, the premium amount could not be lower than: VND 1,000 billion × 75% of the tariff rate prescribed in Section I, Appendix II of the Decree	In all cases, the premium rate must not be lower than 75% of the tariff rate stipulated in Section I, Appendix VI of this Decree



## DECREE NO. 105/2025/ND-CP – KEY AMENDMENTS RELATING TO COMPULSORY FIRE AND EXPLOSION INSURANCE

Large-scale production and business establishments, typically with insured values of several trillion VND, are generally designed and equipped with more advanced fire prevention and firefighting systems than smaller facilities. As a result, they are eligible for more favorable (i.e., lower) premium rates due to their superior risk profile. However, in practice under Decree No. 67/2023/ND-CP, certain insurance contracts required insurers to provide coverage free of charge for the portion of the sum insured exceeding VND 1,000 billion. Under the new provisions of Decree No. 105/2025/ND-CP, large-scale establishments continue to benefit from preferential premium rates reflecting their improved risk characteristics, while insurance companies are no longer obligated to provide free coverage for the insured amount exceeding VND 1,000 billion.

### Details of the tariff rates

Under the new Decree, the list of establishments required to purchase compulsory fire and explosion insurance has been updated (as detailed in Appendix VII of Decree No. 105/2025/ND-CP). Accordingly, the tariff rates have also been revised and supplemented to reflect this updated list. Compared to Decree No. 67/2023/ND-CP, the premium rates applicable to various categories of fire- and explosion-prone establishments – as specified in Appendix VI of Decree No. 105/2025/ND-CP – have been amended in several respects, including the following:

No. Decree 105	List of Fire & Explosion prone establishments	Minimum annual premium rate (%) Decree 105/2025/ND-CP	Minimum annual premium rate (%) Decree 67/2023/ND-CP
5	Space research facilities, specialized data centers, and other sector-specific research facilities with buildings of 3 or more stories or total floor area $\geq 1,500 \text{ m}^2$	0.05	(Not specified)
8	Social protection facilities with buildings of 3 or more stories or total floor area $\geq 300 \text{ m}^2$	0.05	(Not specified)
15	Facilities trading in flammable goods with total floor area $\geq 200 \text{ m}^2$	0.08	(Not specified)
16	Facilities trading in non-flammable or difficult-to-burn goods contained in flammable packaging, with total floor area $\geq 1,000 \text{ m}^2$	0.1	(Not specified)
22.1	Thermal power plants, waste-to-energy plants, and land-based solar power plants	0.15	(Waste-to-energy and solar: 0.12%)
22.4	Onshore wind power plants	0.35	0.12
31	Road tunnels, railway tunnels, and metro tunnels with length $\geq 500 \text{ m}$	0.12	(Not specified)
36	National reserve warehouses		
	c) Paper, cardboard, and packaging storage (independent warehouses, not within manufacturing facilities)	0.35	0.2
	d) Wood and wood product storage (independent warehouses, not within manufacturing facilities)	0.5	0.2
37	Residential premises combined with production/business activities with total production/business area $\geq 200 \text{ m}^2$	0.15	(Not specified)

## DECREE NO. 105/2025/ND-CP – KEY AMENDMENTS RELATING TO COMPULSORY FIRE AND EXPLOSION INSURANCE

**Minimum deductible: Decree No. 105/2025/ND-CP introduces a new minimum deductible for risk with a total sum insured of VND 1,000 billion or more.**

Decree No. 105/2025/ND-CP	Decree No. 67/2023/ND-CP
Appendix VI, Section II, Clause 2: For risk with a total sum insured at a single location of VND 1,000 billion or more (excluding nuclear risk): compliance shall follow Clause 2, Article 26 of Decree No. 67/2023/ND-CP. In all cases, the deductible shall not be lower than the minimum deductible prescribed in Clause 1, Section II of this Appendix.	Appendix II, Section II, Clause 2: For risk with a total sum insured at a single location of VND 1,000 billion or more (excluding nuclear facilities): compliance shall follow Clause 2, Article 26 of this Decree.  (No minimum deductible specified)

Accordingly, risks with total sum insured of VND 1,000 billion or more (excluding nuclear facilities) are now subject to a minimum deductible of VND 100 million.

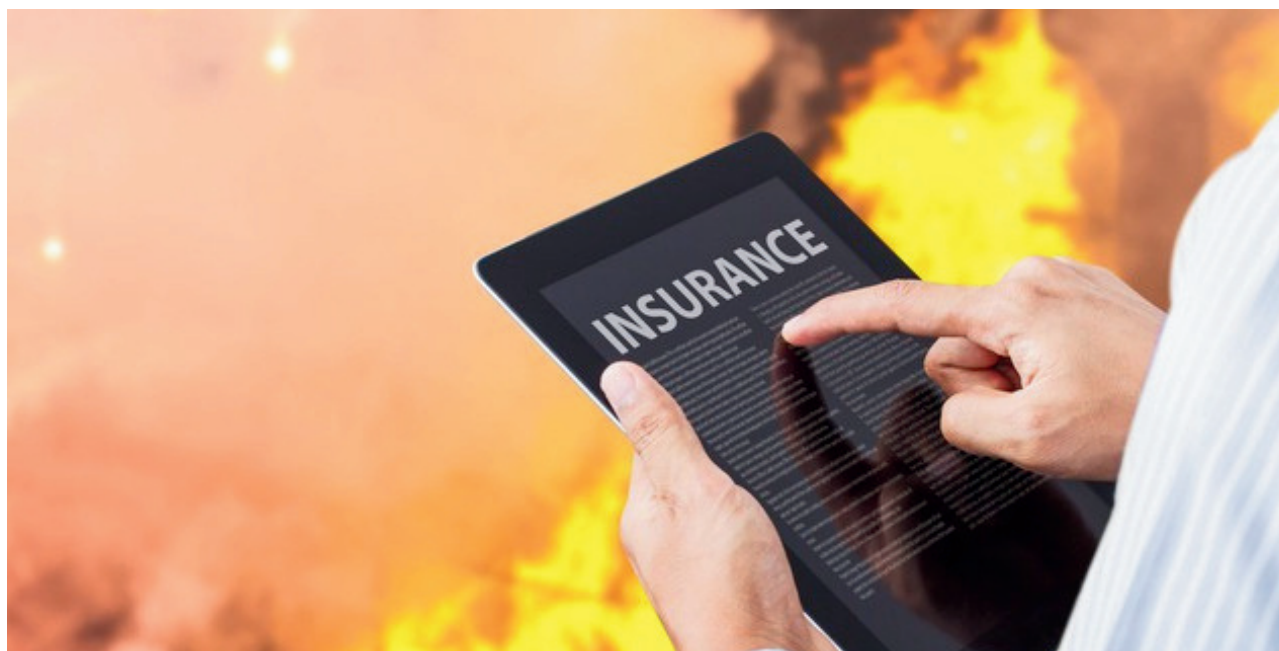
### On the contribution rate from insurance companies

Clause 2, Article 35 of Decree No. 105/2025/ND-CP stipulates that insurance enterprises providing compulsory fire and explosion insurance are required to contribute 2% of the total actual premium revenue from original (direct) fire and explosion insurance contracts collected in the preceding financial year.

Decree No. 105/2025/ND-CP is a key legal document that plays an important role in improving the legal framework on fire prevention, firefighting, and rescue operations. The Decree elaborates on several provisions of the Law on Fire Prevention and Fighting and introduces detailed regulations aimed at strengthening state management in this area.

Among its various provisions, those relating to compulsory fire and explosion insurance have received considerable attention from insurers and relevant Units. The clear specification of establishments required to purchase compulsory insurance requirements, along with updated and adjusted tariff rates, facilitates compliance and implementation by both insurers and insured entities.

However, the implementation of Decree No. 105/2025/ND-CP also introduces a number of challenges for insurers - particularly in the areas of risk assessment and risk management. Additionally, greater emphasis must be placed on communication, policy dissemination, and awareness-raising efforts to ensure policyholders fully understand and comply with the applicable legal provisions.





# OPPORTUNITY TO SHAPE INSURANCE PRODUCTS

According to the United Nations' World Population Prospects 2024 report, the average life expectancy of Vietnamese people is projected to increase from 74.6 years in 2023 to 78.9 years by 2050. These figures paint a picture of an aging society. However, a recent Manulife Asia Care Survey reveals a shift in public sentiment: "living longer is no longer the top aspiration" and "while most Vietnamese expect to live to 80, they only hope to live to the age of 76".

The survey data indicates a clear shift in life priorities among Vietnamese consumers. Specifically, only 11% of respondents expressed a desire to "live longer." Meanwhile, 16% said their top goal is financial independence, 15% prioritized a high-quality lifestyle and another 15% wished to maintain good physical and mental health. The concept of longevity is being redefined. While only a small percentage strive for a long life, 48% said they want to live a meaningful life, and 44% prefer quality over quantity in their years. This indicates a new perspective emerging among Vietnamese people – one that values a life that is healthy, purposeful and well-lived, rather than one that is merely long.

## A golden opportunity for the insurance industry

The shift in Vietnamese consumers' mindset presents an unprecedented opportunity for the insurance industry to transform how products are designed. Rather than focusing solely on traditional offerings that protect against death or critical illness, insurers are now urged to broaden their portfolios and develop more holistic solutions aimed at enhancing customers' quality of life.

These solutions may include premium health insurance plans, mental wellness coverage, preventive care support and integrated wellness services. In addition, flexible financial solutions for aging populations are increasingly important – such as personal retirement insurance, voluntary pension funds, or unit-linked insurance products that help customers accumulate wealth, secure steady income streams and maintain financial independence in retirement.



Updated data from the Insurance Association of Vietnam in the early months of the year shows a significant shift in the structure of newly underwritten products. As of April 2025, revenue from unit-linked and investment-linked insurance dropped by 5.4% year-over-year but still accounted for the largest share (54.1%). This decline was mainly driven by general investment-linked products, which fell by 6.9% yet continued to represent the bulk of this category (46.9%). In contrast, unit-linked insurance products posted a positive growth of 6.5%, increasing their share to 7.2%.

Meanwhile, term life insurance products – traditional pure protection plans with lower premiums and simplified benefits – held a 30.3% market share but also recorded a slight decline of 1.7%. This trend highlights customers' growing preference for insurance solutions that offer savings or investment components or more comprehensive protection packages.

Conversely, a surprising bright spot has emerged from the category of "other insurance products" – including health insurance, retirement insurance and whole life insurance – which now account for 11.5% of the total and recorded an explosive growth rate of 123% year-over-year. This remarkable surge signals a rapidly increasing demand for products focused on health protection and retirement preparedness. This trend aligns with the evolving public awareness of the importance of long-term health and financial planning, especially in the context of an aging population and rising healthcare costs.

As of now, health-related insurance products continue to dominate the market as best-sellers. These offerings are not only key revenue drivers for the life insurance sector but also represent the most important source of premium income for the non-life insurance segment. According to Insurance Association of Vietnam data, in the first four months of 2025, total health insurance premiums across the market reached VND 10,676 billion, accounting for 36.9% of total premium income – an increase of 16.3% compared to the same period in 2024.

This growth can be attributed to the increasing public awareness of health risks. Consumers are becoming more proactive in seeking insurance solutions to protect themselves from illness, accidents, and unexpected medical expenses. This has encouraged insurers to focus more on developing and offering a wider range of health insurance products tailored to specific customer segments – ultimately contributing to a more dynamic and competitive market.

# VIETNAM'S INSURANCE MARKET SHOWS SIGNS OF RECOVERY

## Positive indicators emerge

According to data from the Department of Statistics under the Ministry of Finance, the insurance market continued to show stable growth, with total premium revenue in the second quarter of 2025 estimated at VND58,900 billion, representing a 5.4% year-on-year increase. Cumulatively, total premium revenue for the first six months of 2025 is projected at VND114,800 billion, reflecting a 5.0% year-on-year rise.

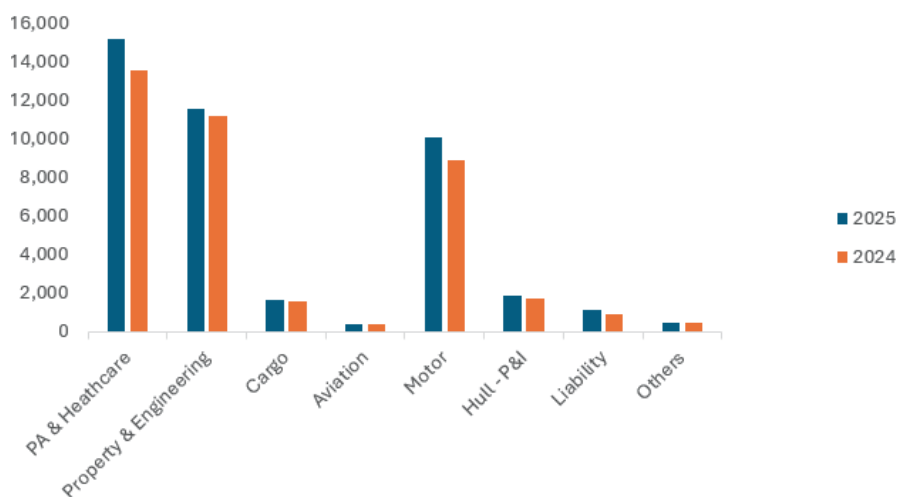
Mr. Ngo Viet Trung, Director General of the Insurance Supervisory Authority under the Ministry of Finance, emphasized that the market's growth reflects its resilience and ability to adapt in the face of ongoing challenges. He emphasized that beyond the numbers, the sector has demonstrated positive transformation through proactive policy implementation, swift support for customers affected by natural disasters, and ongoing efforts to optimize operational processes and improve the overall customer experience.

In a recent interview with the press, Mr. Bui Gia Anh, Secretary General of Insurance Association of Vietnam (IAV), noted that the insurance market has begun to show signs of recovery during the first half of 2025, gradually regaining its growth momentum. According to Mr. Bui Gia Anh, the potential of Vietnam's insurance market remains largely untapped. The insurance penetration in Vietnam is still relatively low compared to regional and global averages, signaling substantial room for sustainable growth. With the concerted efforts of insurers and the proactive regulatory adjustments by state authorities, the market is well-positioned for a rebound.

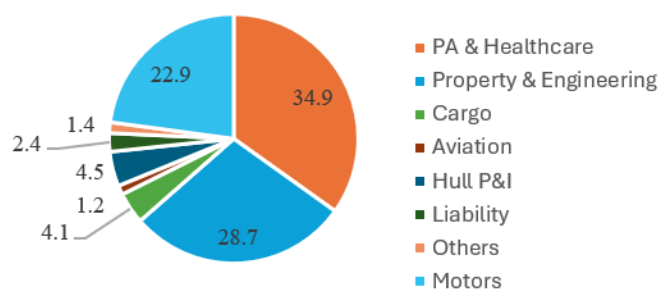
## Non-life insurance maintains steady growth

Non-life insurance premium revenue for the first half of 2025 is estimated at VND42,600 billion, according to the Insurance Association of Vietnam. Within this segment, personal accident and healthcare insurance remained the primary growth driver, contributing VND15,300 billion - an increase of 11.8% year-on-year. Motor insurance followed with a 13.2% rise, reaching VND10,100 billion. Property and engineering insurance generated VND27,400 billion in revenue, reflecting steady growth of 3.5%, while cargo insurance edged up by 4.3% to VND1,650 billion. Liability insurance posted a robust performance, with premiums rising 20.5% to VND1,140 billion. Hull - P&I also saw an 8.7% increase, reaching VND1,930 billion. In contrast, aviation insurance recorded a decline of 6.3%, with estimated premium revenue standing at VND437 billion.

Premium income by years (Unit: Billion VND)



Premium income by line of business (Unit: %)



Source: Insurance Association of Vietnam





### A growth target within reach

Looking ahead, Deputy Minister of Finance Mr. Le Tan Can in a meeting with Mr Noriyuki Hara – Chairman of MS&AD Insurance Group on 27 May 2025, reaffirmed the vast development potential of the insurance sector. He emphasized the intrinsic correlation between insurance growth and GDP expansion. As Vietnam enters a new phase of economic acceleration and aims for double-digit growth in the near future, the insurance industry is expected to follow suit.

Vietnam's GDP in the first half of 2025 grew by 7.52% year-on-year, the highest first-half growth rate recorded in the 2011–2025 period. The country continues to rank among the fastest-growing economies in both the region and the world.

Vietnam's Insurance Market Development Strategy to 2030, as outlined by the government, envisions a proactive and robust insurance sector aligned with national financial strategies and socioeconomic plans. The strategy targets an average annual growth rate of 15% for the 2021 - 2025 period, with the insurance industry accounting for 3 - 3.3% of GDP by 2025. For the 2026 - 2030 phase, the average growth is projected at 10% per year, aiming to reach 3.3 - 3.5% of GDP by 2030.

Deputy Minister Le Tan Can acknowledged that Vietnam's insurance market remains modest in size compared to regional and global benchmarks. While this poses challenges, it also presents an opportunity for the industry to rise to the occasion and overcome structural and regulatory bottlenecks.

Notably, the legal framework governing insurance business in Vietnam has undergone substantial reforms. Recent legislation has simplified administrative procedures and established a more coherent, transparent and equitable legal environment for all market participants. These updates are in line with Vietnam's international commitments and global standards for the insurance industry.

Regarding life insurance coverage, the government aims for 15% of the population to participate in life insurance by 2025, rising to 18% by 2030. If insurers adopt lower initial premiums and commit to renewing health riders- even for high-claim contracts - reaching an additional 1.5 to 2 million life insurance policyholders this year is within reach. Industry experts agree that even a basic life insurance policy centered on health protection - with an annual premium of just a few million VND and partial government support - could play a key role in helping achieve the 18% coverage target.

## DBV Insurance launches new brand identity

DBV Insurance Group Joint Stock Company (DBV) has officially unveiled its new brand identity in a recent launch event. This milestone marks a pivotal step in the company's comprehensive restructuring journey and its transformation towards becoming one of the leading non-life insurers in Vietnam.

The DBV brand was established following the official renaming of Aviation Insurance Corporation (VNI) to DBV Insurance Group Joint Stock Company, as approved under the amended License No. 49/GPDC43/KDBH issued by the Ministry of Finance on May 6, 2025.

This rebranding represents not only a change in visual identity but also a strategic shift in the company's positioning: to become a leading insurance group that accompanies and delivers superior protection to customers.

DBV has set an ambitious goal to become the fastest claims-paying insurer in the market, while also taking the lead in building a modern digital insurance ecosystem - enabling customers to access insurance products with greater transparency, convenience and efficiency.

With the support of strategic shareholder DB Insurance - South Korea's second-largest non-life insurer and the current majority stakeholder holding 75% of DBV's charter capital - the company is

set to elevate service quality through advanced technology solutions, enhance transparency in claims handling, and optimize operational efficiency. According to Mr. Kim Jeong Nam, Vice Chairman of DB Group, the partnership with DBV reflects not only a strategic decision but also a strong belief in DBV's exceptional growth potential and in the long-term prospects of the Vietnam insurance market.

He emphasized that DB Insurance will continue to provide close cooperation and comprehensive support to DBV in terms of financial resources, technological capabilities, and advanced governance systems, to help realize the vision of positioning DBV as a top-tier non-life insurer in Vietnam.

The launch of the new brand underscores a unique integration model within the Vietnam insurance industry - one that combines three strategic forces: the market foundation and experienced team from VNI; the financial and technological strength of DB Insurance; and the support of BSH, a key member of the DB ecosystem.

## Bao Viet Life recognized as Vietnam's most innovative and efficient life insurer in 2025

On June 27, 2025, Bao Viet Life was honored to be named the leading company in the "Top 10 Innovative and Efficiently-Operating Insurance Enterprises 2025" ranking. The list was announced by Finance & Investment Newspaper (under the Ministry of Finance), in collaboration with Viet Research Joint Stock Company, to recognize and commend enterprises that have demonstrated outstanding achievements in innovation aligned with sustainable business performance.

As a key member of Bao Viet Group's financial-insurance-investment ecosystem, Bao Viet Life has, over nearly 30 years of establishment and development, consistently expanded its operational scale while improving efficiency.

The company currently operates 76 member companies and nearly 400 regional offices, covering all provinces and cities across Vietnam.

Notably, in the first five months of 2025, Bao Viet Life continued to maintain its leading position in the industry in terms of insurance premium revenue and new business revenue from the agency channel - reflecting both strong growth momentum and the enduring trust of millions of customers nationwide. Committed to comprehensive digital transformation aimed at enhancing service quality for the Vietnamese people, Bao Viet Life has actively integrated technology into its operations, including policy management, customer care, and internal training.

Securing the top position in this prestigious ranking is not only a testament to Bao Viet Life's reputation and competitive capabilities, but also reaffirms its commitment to sustainable development as the national life insurance brand devoted to serving the interests of the Vietnamese people.



### **VietinBank Insurance leads digital shift in Asia's insurance landscape**

Through continuous innovation and the application of advanced technologies to deliver more transparent, convenient, and accessible insurance products and services, VietinBank Insurance (VBI) has been honored with the "Digital Insurance Initiative of the Year" at the Insurance Asia Awards 2025. This prestigious award, organized annually by Insurance Asia magazine since 2016, recognizes outstanding insurers in the Asia-Pacific region that demonstrate exceptional breakthroughs in products, services, and technological innovations.

Amid a landscape marked by emerging risks and evolving customer expectations, VietinBank Insurance has successfully implemented a wide range of digital transformation initiatives to enhance its competitiveness and deliver optimal value to its customers. VBI has developed a multi-channel digital insurance ecosystem, expanding its product distribution through mobile applications, websites, API-connected partners, and embedded insurance models. These efforts aim to make insurance more accessible and user-friendly for all customers.

The company has also digitized administrative processes, enabling customers to report claims anytime, anywhere via the MyVBI mobile app or website – eliminating the need for paper-based procedures. In addition, VBI has incorporated AI and automation technologies to introduce a suite of smart features for enhanced customer convenience. These include automated policy renewal reminders, personalized product package suggestions based on user behavior analytics and geo-based service recommendations such as the nearest hospital or garage.

The adoption of cutting-edge technologies and a modern, customer-centric approach has enabled VBI to better meet the evolving needs of its clientele while unlocking new avenues for growth. In the first five months of 2025, the company recorded over VND 1,700 billion in gross written premiums, representing a 9.4% increase year-on-year and achieving 37% of its annual target. Pre-tax profit surged by nearly 18%, reaching approximately VND 210 billion.

### **Banks sharpen focus on the insurance industry**

During the recent season of annual general meetings, both Techcombank and VPBank announced plans to establish life insurance companies. With this move, the two banks are poised to complete their insurance business portfolios – adding life insurance to their existing non-life insurance operations (VPBank currently owns OPES, a non-life insurer; Techcombank holds Techcom Non-life Insurance Joint Stock Company).

According to several industry experts, the key driver behind this strategic expansion is the untapped potential of Vietnam's life insurance market. The number of life insurance policyholders accounts for only 20% of the working-age population or 10% of the total population. In contrast, coverage rates in developed countries such as the United States, the United Kingdom, and Japan reach 80 – 90%, while countries in the Southeast Asian region like Singapore and Malaysia report coverage rates of approximately 80% and 50%, respectively.

The bancassurance channel has proven to be a highly effective distribution model, contributing a significant share of premium revenue for insurance companies in Vietnam.

After a period of "overheating" and subsequent decline, the bancassurance sector is now experiencing a robust recovery, supported by enhanced regulatory frameworks and joint efforts from both banks and insurers.

According to the Ministry of Finance, Vietnam insurance market currently comprises 32 non-life insurers, 19 life insurers and 2 reinsurers. Notably, Bao Viet Life is the only domestically owned life insurer in the country, fully owned by Bao Viet Group, whose foreign strategic partner is Sumitomo Life (Japan).

To date, many banks in Vietnam own non-life insurance companies. However, only a few banks have established a presence in both life and non-life sectors – most notably MB with MB Ageas Life, and BIDV with BIDV MetLife. Interestingly, some prominent banks such as ACB, VIB, and MSB have yet to establish or invest in any insurance companies. Given these developments, market observers anticipate that several new insurance companies owned or backed by banks are likely to enter Vietnam insurance market in the near future.

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