



International Information Exchange

Country : **Vietnam**

Presenter : **Khuc Hoang Duy**

Association of Vietnamese Insurers

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Vietnam FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	329,560 km ²		General Statistics Office, Ministry of Planning and Investment
Climate/Weather	Hanoi	Average Yearly Temp.: 23.3°C Annual Rainfall: 1,676 mm	World Meteorological Organization (2010)
Population	87,610 (Thousand)		General Statistics Office (2011)
Young Population (0-14)	21,114 (Thousand, 24.1%)		
Productive Population (15-64)	60,451 (Thousand, 69%)		
Elderly Population (Over 65)	6,045 (Thousand, 6.9%)		
# of Households and Ave.ppl/h.h	23,678 (Thousand) / 3.7 ppl		General Statistics Office (2011)
Average Life Expectancy	Male: 70.2 / Female: 75.6		General Statistics Office (2011)
Total Fertility Rate (*)	2.03		General Statistics Office (2011)
GDP (Nominal GDP)	170,5 (USD Billion)		General Statistics Office (2013)
GDP per Capita	1.9 (USD Thousand)		General Statistics Office (2013)
Social Security Program	Annuity (Old-age), Health Care		
Remarks			

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2013 LIFE INSURANCE INDUSTRY FAST FACTS

Type	(Thousand Policies, US\$ Million)		(Policies, US\$)		(Policies, US\$)	
	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	1,179	27,681	5,133	34,310	0.06	391
Indiv. Annuity	1.8	3.9	10	4.7	-	0.05
Group	0.5	0.3	1	471	-	5

Criteria	Data/Stats
# of Life Insurers	16
Net Premium Income	1,107.3
Payment of Insurance Claim	261
Total Assets	4,522.8
Main Products	Endowment, Pure endowment, UL
Distribution Channel	Tied-Agents
	226,133 people
	Branch 100 entities Office 500 entities
	General Agent 500 entities
	Mail Order, Internet
	Participation rate of 1% (Estimate)

*Calculated based on the exchange rate of VND21,000=US\$1

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Challenges of **Vietnam**'s Life Insurance Industry

❑ **Lack of Vietnamese senior personnel resource**

Life insurers must hire foreign people for high positions. But the law defines that those people must be long-term stay in Vietnam, so that the cost increased.

❑ **Risks in financial investment**

Risks of investing in corporate bonds that not guaranteed by the Government. Our recommendation is not ranked these bonds in the portfolio that are not limited

❑ **Responding to Abuse of Life Insurance System**

To be fare and square among policy holders, various measures have been implemented to prevent exploitation of life insurance.

❑ **Competition between life insurance and non-life insurance (term insurance, personal accident)**

Particularly competitive on terms, conditions and fees of the offering insurance packages for companies

❑ **Agent fraud**

The phenomenon of agents left the insurer but still keep the customer fee is becoming common, affecting customers and the reputation of the insurer. Life insurers must improve the managing agent and avoid to recruit agents that had violated.