



INSURANCE, REINSURANCE AND SOCIAL INSURANCE

REPORT



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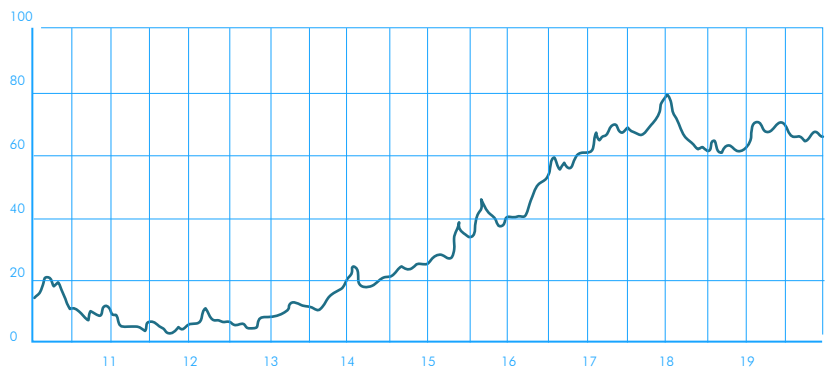
Overview

Vietnam has 66 insurance companies, of which 30 are non-life insurers, 18 life insurers, 2 re-insurers, 16 insurance brokers and 21 representatives of foreign insurers.

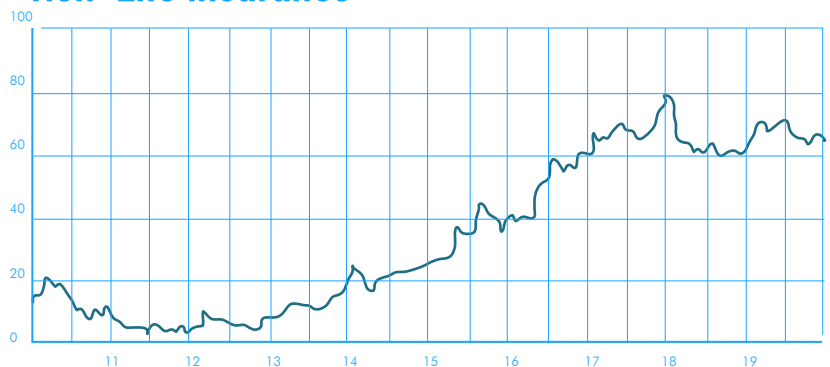
2019 marked the sixth year in a row that the Vietnamese insurance market has achieved a premium growth rate of over 20%. Total assets are VND 454 trillion, increasing by 15.03%.

Household incomes are growing in accordance with people's awareness of the benefits of insurance. Leading insurers have access to capital and are introducing innovative and appropriate products through multiple distribution channels. Whilst the regulator works to improve transparency and standards. Premiums are forecasted to demonstrate double-digit growth.

Life insurance



Non-Life insurance



The 10-year development of life and non-life insurance industry (2011 – 2020)

Source: Stockbiz, BMI , compiled by VietnamCredit

Double-digit growth demonstrates developing potential for both life and non-life segments.

Good diversification of the non-life segment product lines.

A fragmented marketplace with a number of smaller domestic players indicates a potential future of mergers and acquisitions.

Massive growth in the agency network is likely to push up the premium revenue

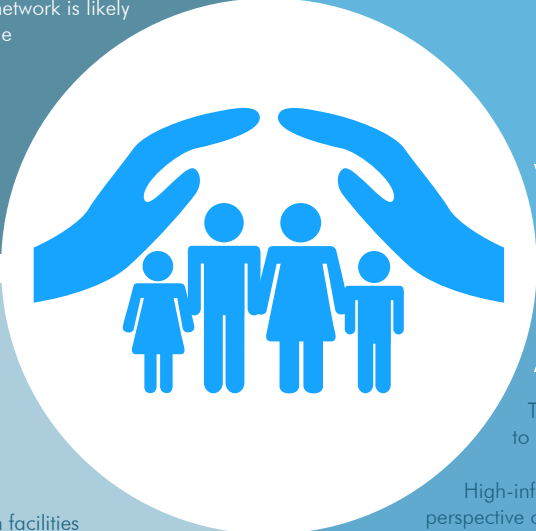
STRENGTHS

Many domestic non-life companies lack ready access to new capital

Many Vietnamese households still do not have sufficient income to purchase life insurance

The domestic economy remains undiversified, limiting the growth potential of lines such as credit or financial guarantee and general liability insurance

WEAKNESSES



Rising income levels and the sizeable population form a promising market

The trend toward private health facilities should lead to demand for health insurance.

Pricing discipline and claims control are improving through the Government's intervention.

Restrictions on foreign companies and overseas investment are gradually being lifted.

OPPORTUNITIES

The current growth rate is likely to slow.

High-inflation may affect buyers' perspective on the value of insurance products.

Volatility and a lack of development in Vietnam's capital and bond markets complicate investment strategies

Natural disasters are major threat for this tropical country

The expansion of the government's mandatory health insurance program

THREATS

