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## THE ACTUALITY OF THE INSURANCE MARKET IN VIETNAM

By

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### ABSTRACT:

With the current socio-economic development, insurance is gradually becoming an important and essential service. A developed insurance market will ensure social and financial security for individuals and businesses. In recent years, the insurance market has not developed stably. The author focuses on analyzing the current situation of the insurance market in 2022 and 2023 according to the following criteria: Insurance enterprise size, insurance revenue, insurance premium revenue, investment revenue, financial capacity ...The author also proposed solutions to develop the insurance market in the coming time for the State and insurance businesses.

### KEYWORDS:

Market, insurance, insurance market, Vietnam.



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## 1. Raising the issues

Currently, insurance is one of the service industries with great contributions to the economy. Through the process of formation and development, the Vietnamese insurance market has gradually proven its important role in human life as well as having an impact on other fields and professions in society. According to statistical results, the contribution of insurance premium revenue accounts for 3.07% of gross domestic product (GDP). In the future, this ratio may increase further because the market potential has not yet been fully exploited. Through observing data, the author finds that the growth rate of the insurance industry over many years is very impressive. However, since the COVID 19 pandemic, the industry's growth rate has slowed down, especially 2023 is a difficult year for the Vietnamese insurance market because it is both affected by the economy and the influence of the media. With the desire to comprehensively evaluate the insurance market, the author will present a picture of the insurance market in 2022 and 2023; At the same time, make recommendations to the State and insurance businesses.

In the above context, the insurance market continues to record positive developments. This is shown through a series of indicators such as: growth in insurance enterprise scale, insurance premium revenue, financial capacity of insurance enterprises, and good performance of the rights payment function. Insurance benefits, strengthening customer care services, increasing reinvestment back into the socio-economy, and actively deploying various types of insurance to implement state policies...

## 2. Theoretical basis

### 2.1. Definition

#### *Insurance*

By contributing to a common fund from the majority of people, when there is a risk, the fund will be able to cover and compensate for the injuries of the few. Each individual or unit only needs to contribute an amount of money deducted from their income to insurance companies. When participating in a certain insurance operation, if there is a loss due to a risk, the insured person will be compensated. This compensation is taken from the fees paid by all insurance participants. Thus, it can be seen, *the essence of insurance is the division of losses suffered by one or more people among all insured persons.* Therefore, in order for an insurance operation to be carried out, there must be many participants, that is, insurance can only operate on the basis of the law of the majority. The more people participating, the greater the probability of a risk occurring to each person. The smaller and the more profitable the insurance.

With the form of the majority compensating for the few who suffer losses, insurance organizations will help minimize the economic loss of each individual or unit when encountering risks, saving resources for the state budget. The insurance fund is created through mobilizing insurance fees, the more people participating, the larger the fund. The fund is used first and foremost to compensate the insured for losses. In addition, the fund is also used to cover expenses and invest in society. Insurance is essentially a system of economic relations arising in the process of redistributing total social product in the form of value to form and use insurance funds for the purpose of compensating for losses due to unexpected risks happen to the insured, ensuring the remanufacturing process is regular and continuous.

### *Insurance market*

*The insurance market is where the buying and selling of insurance products takes place. Like any commodity market, the insurance market is full of market components:*

The objects exchanged on the market are insurance products. These are service products and have their own characteristics, creating a unique feature of the insurance market compared to other markets.

Insurance buyers are individuals or organizations that need to protect property, civil liability before the law, or life or body and agree to buy insurance products provided by the seller, and they are insurance customers.

Sellers are organizations that provide insurance products in the market, including insurance businesses and mutual insurance associations.

In addition, the characteristics of the insurance market require the active participation of insurance intermediaries - that is, insurance agents and insurance brokers. These are the traditional distribution channels of the insurance market, bringing insurance products to insurance customers.

The insurance market also has reinsurance businesses. These are entities participating in the insurance market as support for insurance businesses to provide insurance products in the market.

## *2.2. System of indicators to evaluate the current state of the insurance market*

### *Insurance enterprise*

Pursuant to Clause 17, Article 4, Law on Insurance Business 2022: Insurance enterprise is an enterprise established, organized and operating according to the provisions of the Law on Insurance Business 2022 and other relevant laws to do insurance business, reinsurance business, reinsurance transfer.

The activities of insurance enterprises include: Insurance business, reinsurance business, reinsurance cession; manage funds and invest capital from insurance business activities; providing insurance support services; other activities directly related to insurance business activities.

Insurance businesses provide special financial services, operating business based on risks. Insurance business activities are also different from other types of businesses, it is a form of business with a reverse cycle, that is, insurance products are sold first, revenue is generated, and then generating the expense.

The most important role of an insurance company is to provide protection to people, minimizing the impact of risks that a person is exposed to in unexpected situations. Thanks to the money paid by insurance companies in financial crises, accidents, losses, and illnesses, people can minimize financial risks and be more mentally comfortable.

### *Revenue of insurance enterprises*

Revenue of an insurance enterprise is the amount of receivables arising during the period covered:

**Revenue from insurance business activities:** is the amount of receivables arising in the period after deducting expenses to reduce revenues arising in the period

Amounts receivable arising during the period include: Collection of original insurance premiums; collect reinsurance fees; collect reinsurance cession commissions; Collect fees for agency services including damage assessment, compensation settlement, requesting third party reimbursement, handling 100% compensation goods; collection of loss assessment fees, excluding expert assessments between internal accounting member units within the same independent accounting insurance enterprise.

Expenditures to reduce revenue arising during the period include: Refund of insurance premiums; reduce insurance premiums; reinsurance cession fees; Refund of reinsurance fees; Reduce reinsurance fees; reimbursement of reinsurance commissions; Reduce reinsurance commissions.

**Revenue from financial activities:** Income from investment activities, securities trading; collect interest on the deposited amount; property rental revenue; Other revenues as prescribed by law.

**Other operating income:** Revenue from sale and liquidation of fixed assets; Bad debts that were written off can now be recovered; Other revenues as prescribed by law.

#### *Investment capital returned to the economy:*

**Invest from owner's equity:** Investment from equity sources must ensure safety, efficiency and liquidity according to the guidance of the Ministry of Finance. Insurance enterprises and insurance brokerage enterprises are allowed to invest abroad in accordance with the provisions of law for the equity capital exceeding the legal capital or minimum solvency margin, whichever is bigger.

**Idle capital from insurance reserves:** Is the total insurance professional reserve minus the amounts that the insurance enterprise uses to pay regular insurance compensation during the period for non-life insurance, and pay regular insurance premiums during the period for life insurance.

The amount of money used for regular insurance compensation during the period for non-life insurance businesses is not less than 25% of total insurance reserves and is deposited at credit institutions operating in Vietnam.

The amount of money used to pay regular insurance premiums during the period for life insurance businesses is not less than 5% of total insurance reserves and is deposited at credit institutions operating in Vietnam.

### **3. Research methodology**

#### *Data collection methods:*

The author used the document research method to systematize the theoretical basis of insurance businesses and the results of the insurance market.

This article provides an overview of insurance market theories. These studies were conducted at home and abroad and were selected by the author from databases such as Scopus, the OECD online library, specialized journals, and the research sample includes 24 articles in 2022 and 2023. The main observations are analyzed thematically and analyzed through synthesis, description, and narrative methods.

To study the current state of the Vietnamese insurance market, the author focuses on examining the current state of the Vietnamese insurance market; analyzing, monitoring, checking and evaluating the results achieved in the insurance market. The article collects data on the number of

insurance businesses; business results of insurance enterprises; results of monitoring and evaluating financial issues of insurance enterprises. Those data are collected from books, domestic and foreign scientific journals, and from data compiled by the General Statistics Office; Ministry of Finance; websites of businesses, Insurance Association; local government website; current legal documents on insurance market operations. From the collected data, synthesizing and selecting information relevant to the research content, the authors use a combination of descriptive statistical methods to clarify the current situation. Along with that, the comprehensive analysis method is used to analyze, compare, and compare legal regulations, results, and remaining limitations of the Vietnamese insurance market.

### *Data processing methods*

Statistical synthesis is the second stage of the statistical research process, helping to transform the unique characteristics of each unit in statistical investigation into general characteristics of the large population, serving as the basis for the analysis and statistical forecast process. Statistical data is data about the research phenomenon collected for the statistical research process. Arrange data in a logical order, by time, by space, by scale, by role, location, importance,... Allows initial assessment of the distribution shape of the population, serving as a basis for grouping, creating statistical tables, and drawing statistical graphs.

\* **Statistical tables** The presented documents are always arranged systematically, including data for each part and data for the whole according to research criteria. Documents in the statistical table are arranged reasonably, in a logical sequence of time and space, expressing the role, position, importance of each indicator and the relationship between the indicators, allowing apply analysis, contrast, and comparison to highlight the nature of the research phenomenon. The data is presented clearly, ensuring users can easily understand and receive information, ensuring a comprehensive, accurate, and scientific description of the phenomenon, and is a testament to statistical analysis.

\* **Statistical Disaggregation** is a basic method for conducting statistical synthesis, helping to systematize statistical data scientifically, reflecting the distribution characteristics of the population, reflecting the scale, structure, and relationships between criteria. Statistical disaggregation helps study each part and the whole at the same time, combining the general and the specific, finding the differences of each part in different aspects. Disaggregation helps divide the whole into parts with different properties, from which it is possible to determine the size of each part, calculate the proportion of each part in the whole, and evaluate the importance of each part, contributing to each part in the overall whole

\* **Statistical graph** Drawings, lines, or colors are used to conventionally describe statistical data. A statistical graph is a form of presenting quantitative statistical data using drawings, lines, or colors, so it reflects vivid visualization. Statistical graphs define the size and variation of numbers by short length, high or low, by dark or light color, by sparse density, by folded lines,... easy to understand and compare visually. Statistical graphs allow people at different cognitive levels to access data conveniently. Looking at a data table with many large and small numbers to detect differences and relationships will be more difficult than looking at a drawing with attractive shapes and colors.

### *Data analysis method:*

\***Descriptive statistics method:** Used to describe labor efficiency indicators through relative numbers, absolute numbers, and average numbers.

An absolute number is a number obtained through investigation, collection of facts and scientific synthesis of statistics.

Absolute numbers in statistics always imply socio-economic content in specific time and place conditions. Therefore, to have an absolutely accurate number, it requires specific and accurate determination of the economic content that the indicator reflects

Relative numbers in statistics represent a proportional comparison relationship between two levels of the research phenomenon.

Relative numbers can compare two levels of the same type, different in time or space; comparison between implementation period and plan; compare two levels of different but related types. The two levels of comparison can be absolute numbers, relative numbers, or average numbers.

An average in statistics is a representative level according to a criterion of a whole consisting of many units of the same type.

\* **Comparative method:** This method is used to compare indicators of labor efficiency over the years, between industries and economic regions.

\* **Time series method:** This method is used to analyze the characteristics of changes in labor efficiency indicators over time. A series of numbers varying over time (abbreviated as a time series) is a series of values of statistical indicators arranged in chronological order, used to reflect the development of a phenomenon over time.

To analyze the fluctuations of the phenomenon through levels in the time series, statistics use the following criteria:

+ The absolute increase (decrease) is the difference in absolute value between two levels of a phenomenon in a time series, reflecting the change in the absolute level of the phenomenon over two different times. If the direction of development of the phenomenon increases, the absolute increase (decrease) will have a positive sign and vice versa. Depending on the research purpose, we can choose different comparison bases, then we can calculate different absolute increases (decreases).

+ Development speed: A relative indicator used to reflect the trend and rate of change of a research phenomenon over two different periods or times. Development speed is calculated by relative comparison (by division) between two levels of indicators in a series of fluctuations over time, which can be expressed in times or %. Although according to research purposes, different comparison bases can be chosen, then different types of development rates can be calculated.

## **4. Current status of Vietnam insurance market**

### **4.1. Size of insurance business**

In recent years, Vietnam's economy has faced many difficulties due to the impact of epidemics and the global economic crisis. However, with a series of policies to remove difficulties, the insurance market is expected to develop in the near future. In fact, in recent times insurance has been demonstrating its role in contributing to macroeconomic stability and social security.

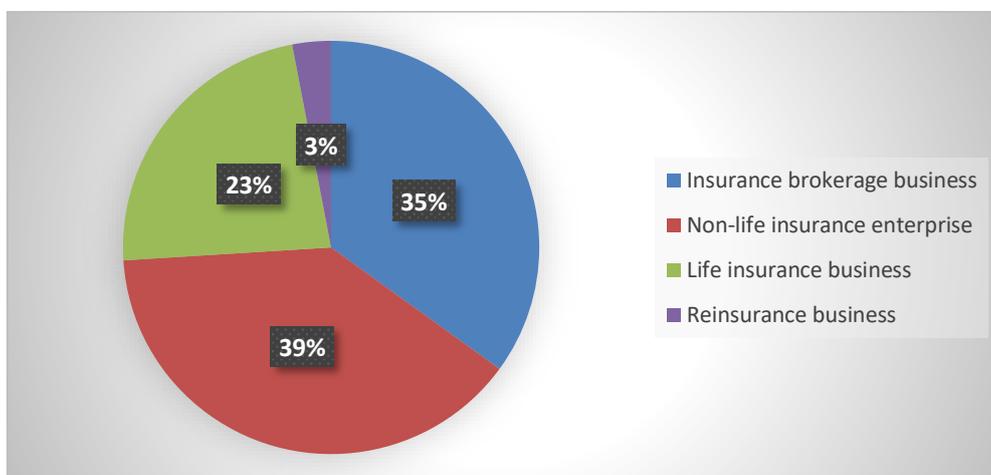
**Table 1. Scale of Vietnamese insurance enterprises**

Year Target	2021	2022	2023
Total	77	82	82
Non-life enterprises	32	32	32
Life enterprises	19	19	19
Reinsurance business	2	2	2
Insurance brokerage business	24	29	29

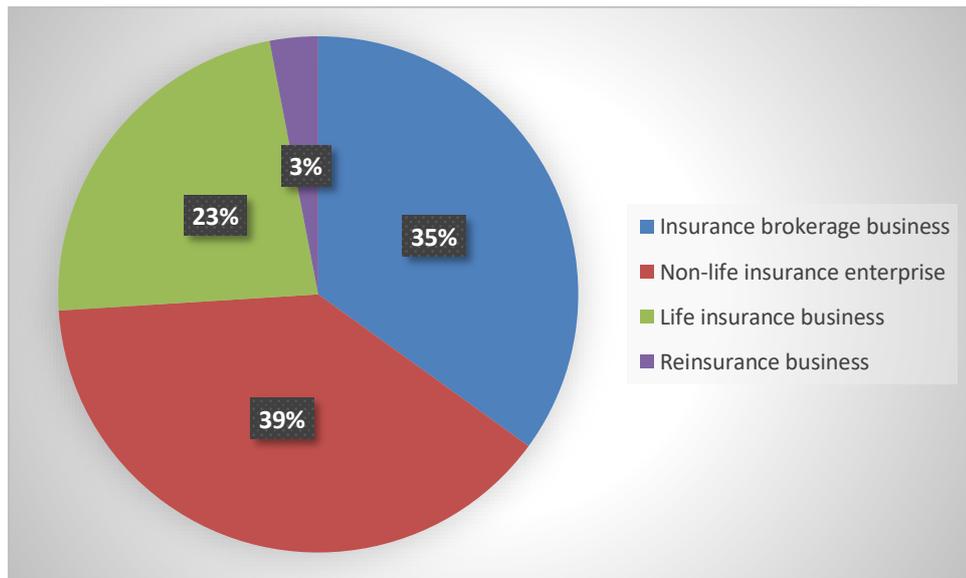
*Source: Vietnam Insurance Association*

In 2021, there are 77 businesses operating in the Vietnamese insurance market in the fields of life, with 19 businesses accounting for 25%, non-life businesses with 32 businesses accounting for 41%, reinsurance with 2 businesses accounting for 3%, insurance brokerage has 24 businesses accounting for 31%. In 2022, 5 more insurance brokerage businesses will enter the Vietnamese insurance market, bringing the total number of insurance businesses to 82, an increase of 6.5% compared to 2021.

**Figure 1. Proportion of Vietnamese insurance enterprises in 2021**



*Source: Vietnam Insurance Association*

**Figure 2. Proportion of Vietnamese insurance enterprises in 2023**

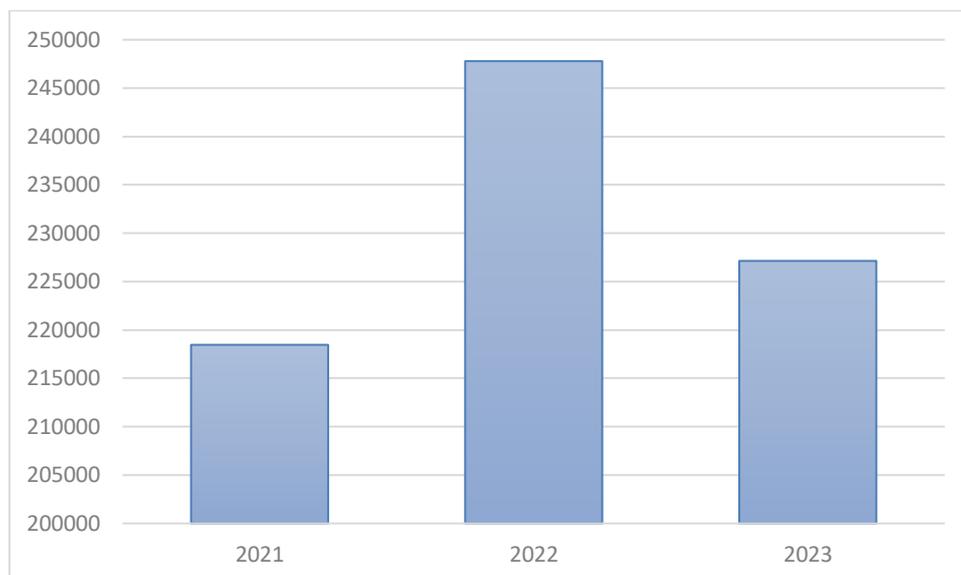
*Source: Vietnam Insurance Association*

In 2022, there will be 82 businesses operating in the Vietnamese insurance market in the fields of life with 23 businesses accounting for 25%, non-life businesses with 32 businesses accounting for 39%, reinsurance with 2 businesses accounting for 3%, insurance brokerage has 29 businesses accounting for 35%.

That is the result of the process of perfecting the legal framework for insurance business activities in accordance with the Party's guidelines and State policies; uniformity with the relevant legal system and in accordance with development orientation and practical needs of the market. In 2023, the number of insurance businesses remains unchanged at 82 businesses. In addition, the presence of 15 representative offices of foreign insurance organizations in Vietnam also contributes to improving the investment environment and increasing the confidence of foreign investors when investing in Vietnam.

#### **4.2. Insurance revenue**

In 2022, although the Vietnamese insurance market faces many difficulties and challenges and the economy is affected by epidemics and conflicts between countries around the world, insurance businesses have been flexible and proactive in adapting to achieve stable development. Therefore, the insurance market continues to maintain a high growth rate compared to GDP growth, industry-wide revenue reached 281,370 billion VND, an increase of 9.96% compared to 2021, of which insurance premium revenue reached 247,786 billion VND increased by about 13.42% compared to 2021, investment revenue reached VND 33,584 billion. This revenue scale has tripled compared to 2015, thanks to the steady double-digit growth momentum maintained over the years.

**Figure 3. Insurance revenue***Unit: Billion VND**Source: Vietnam Insurance Association*

Of which insurance premium revenue reached 247,786 billion VND, an increase of about 13.42% compared to 2021, investment revenue reached 33,584 billion VND. This revenue scale has tripled compared to 2015 thanks to the steady double-digit growth momentum maintained over the years.

**Table 2. Vietnam insurance market fee revenue in 2021, 2022**

Targets	Unit	Non-life insurance		Life insurance		Overall market	
		2021	2022	2021	2022	2021	2022
Insurance premium revenue	Billion VND	59.135	69.459	159.326	178.327	218.461	247.786
Growth	%	6,2	17,46	22,42	11,93	17,02	13,42
Proportion of fees/total fees	%	27,07	28,03	72,93	71,97	100	100
Fee/GDP ratio	%	0,92	0,73	2,47	1,87	3,96	2,6

*Source: Vietnam Insurance Association*

However, this "overheated" growth is also the reason why the insurance market in Vietnam has some shortcomings. The situation is that commercial banks are chasing profits from cross-selling insurance so they assign targets to employees. Bank employees are chasing targets so they force customers to buy insurance to disburse loans. Many insurance consultants are not qualified and do not fully understand the terms of the insurance contract, leading to incorrect advice or insufficient information for customers.

2023 is a difficult year for the Vietnamese insurance market. This is not the first year the insurance industry has experienced a recession. In 2013, the economic recession also caused many disadvantages for the insurance market. Ten years later, the impact on the insurance market was more severe because at the same time, the insurance industry also suffered a media crisis.

Total insurance revenue in 2023 reaches VND 227,600 billion, down 19.11% compared to 2022. Of which, total insurance premium revenue reached 227,134 billion VND, down 8.33% over the same period last year. Premium revenue from the non-life insurance sector reached VND 71,149 billion, up 2.44% over the same period last year; Life insurance sector reached 155,985 billion VND, down 12.53% over the same period last year.

**Table 3. Vietnam insurance market fee revenue in 2022, 2023**

Targets	Unit	Non-life insurance		Life insurance		Overall market	
		2022	2023	2022	2023	2022	2023
Insurance premium revenue	Billion VND	69.459	71.149	178.327	155.985	247.786	227.134
Growth	%	17,46	2,44	11,93	-12,53	13,42	-8,33
Proportion of fees/total fees	%	28,03	31,32	71,97	68,68	100	100
Fee/GDP ratio	%	0,73	0,65	1,87	1,61	2,6	2,1

*Source: Vietnam Insurance Association*

#### 4.3. Financial capacity

The financial capacity of insurance businesses is increasingly solid. In 2022, the total assets of insurance businesses will reach VND 822,287 billion, an increase of 16.05% compared to 2021.

**Table 4. Financial indicators of Vietnam insurance market**

Year	2021	2022	2023
Total assets (billion VND)	708.534	822.287	913.340
Investment back into the economy (billion VND)	583.189	680.511	762.580

*Source: Vietnam Insurance Association*

Insurance businesses have created medium and long-term capital sources for investment in socio-economic development. Investment back into the economy in 2022 reaches VND 680,511 billion, an increase of 16.69%. Investment activities of businesses ensure safety, efficiency and liquidity. Diverse investment portfolio includes capital contributions to establish other businesses, loans, government bonds, stocks, deposits at credit institutions. In 2022, the investment portfolio proportion is as follows: deposits at credit institutions account for 44.28%; Government bonds, Government-guaranteed bonds and local government bonds account for 35.91%. The results achieved in 2022 show that insurance businesses have actively improved their competitiveness and expanded their scope and areas of operation.

**Table 5. Investment structure of Vietnam insurance market**

Content	Life insurance	Non-life insurance	Total	Proportion
Deposits at credit institutions	249.236	52.114	301.350	44,285%
Government bonds, government-guaranteed bonds, local government bonds	243.252	1.110	244.362	35,91%
Corporate bonds with guarantees	26.891	1.056	27.947	4,11%
Stocks, fund certificates, corporate bonds	73.226	6.535	79.761	11,72%

*Source: Vietnam Insurance Association*

In 2023, despite facing unprecedented difficulties, the insurance industry still records positive points, that is, total assets in 2023 reach VND 913,340 billion, an increase of 11.07% compared to 2022; Investment back into the economy reached VND 762,580 billion, up 12.06% over the same period last year. Although there are still many challenges in 2023, the Vietnamese insurance market will still achieve growth in many indicators along with the work of completing the legal framework for the market.

However, the investment results of insurance businesses are still not really worthy of their potential. Joint venture capital contribution activities, lending according to banking laws, and investment in real estate tend to decrease due to fear of financial risks in the banking sector. The investment structure of insurance businesses is still quite monotonous, mainly focusing on investment tools with high liquidity but not high efficiency. The most popular form of investment today is still deposits in banks to earn interest, while in developed countries this rate is very low.

#### **4.4. Insurance payment situation**

In 2022, insurance businesses will pay insurance benefits of 64,000 billion VND, an increase of 23.26% over the same period in 2021, of which non-life insurance businesses reached 23,400 billion VND, life insurance businesses expectancy reached 40,600 billion VND. In 2023, although the insurance industry is facing many difficulties, insurance businesses have paid insurance benefits reaching 86,467 billion VND, an increase of 35.1% compared to 2022, of which non-life insurance businesses reached 29,397 billion VND, life insurance businesses reached 57,070 billion VND.

**Table 6. Payment situation of Vietnam insurance market**

Year Targets	2021	2022	2023
Insurance payment amount (billion VND)	51.924	64.000	86.467
Non-life insurance enterprises	19.483	23.400	29.397
Life insurance enterprises	32.441	40.600	57.070

*Source: Vietnam Insurance Association*

Insurance businesses also actively sponsor the construction of works to prevent traffic accidents, provide humanitarian assistance, build houses of gratitude, raise funds for study promotion, build schools and raise cultural and sports activities up to hundreds of billions of dong.

#### *4.5. Achievements and challenges*

##### *Achievements*

The activities of insurance businesses have made the insurance market more vibrant and increasingly active. The financial capacity of insurance businesses is increasingly strong. Vietnamese insurance businesses have been able to serve economic sectors and people of all walks of life by participating in many contracts with large liability levels and many projects of great value. Investment activities of businesses are also creating a large source of capital for society. Insurance companies are also actively cooperating and helping each other for mutual benefit.

##### *Challenges*

Vietnam's insurance market has not yet truly met the requirements of socio-economic development. The operating capacity of insurance businesses and insurance brokers is still limited. Compensation settlement has not been done well, not ensuring maximum customer rights when experiencing damage. Although insurance products are more diverse than before, they are still limited.

The staff and insurance agents still do not really meet the requirements and do not demonstrate the required professionalism. Workers in the insurance industry not only need to be strong in their expertise and skills, but due to the specific nature of their profession, they must also have many other necessary qualities such as honesty, enthusiasm, openness...In the development strategy of current insurance businesses, building a team of professional staff is one of the top priorities. However, training on knowledge, expertise, professional ethics and customer service style has not been given due attention. Some agents give wrong advice, are negligent, collude with customers to hide their illnesses, and do not take good care of customers. In particular, when insurance companies focus on applying new technologies and expanding customer access methods such as online transactions and the banking system, if they do not have broader knowledge or do not have high professionalism, the staff, agents, and consultants will not be able to meet the increasingly demanding demands of customers.

Vietnam faces many difficulties due to the impact of the epidemic and the global economic crisis, which has significantly affected the business performance of the insurance market.

In 2023, the insurance market will struggle when negative information about life insurance appears widely in the media. Statistics from social platforms show that, after negative information about insurance distribution channels through banks and two cases accusing employees of giving wrong advice and being irresponsible to customers, the number of insurance discussions increased 15 times. Not only stopping the amount of news discussed, these events have seriously affected customers' attitudes about the insurance industry, pushing the negative sentiment index to the highest in the past 3 years. A high negative sentiment index will seriously affect the reputation of the insurance industry in general and insurance businesses in particular, and may even increase the number of customers wanting to cancel insurance contracts.

## 5. Some recommendations

To successfully complete the set goals, the insurance industry must make great efforts to speed up development while still achieving high efficiency. This requires efforts from many sides: State agencies, insurance businesses in the market as well as other relevant individuals and organizations. The above departments need to perform their functions and tasks well and must have close coordination with each other to achieve the set goals and strategies for developing the insurance industry.

### 5.1. On the side of the State

The state needs to promulgate an amended insurance business law, which adds regulations related to insurance of real estate investors' financial obligations to customers when the investor fails to comply with the conditions committed to customers.

To create peace of mind for insurance businesses, the State needs to create and maintain a safe, stable, equitable and favorable business environment. In management, the State needs to use legal tools appropriately and effectively, especially to minimize unfair competition, control, and ensure a favorable and equal business environment. The State must also have a policy of innovating methods and improving state management capacity for insurance business activities, gradually moving towards international insurance management principles and standards.

The implementation of macroeconomic policies also needs to be carried out actively and ensure effectiveness. The business function of enterprises and the economic management function of state agencies need to be clearly distinguished. The State supervises insurance business activities through a system of indicators on the activities of insurance enterprises and inspects and handles violations according to the law, without administrative intervention in the activities of enterprises.

Due to the important nature of the insurance industry to the economy, in necessary cases, the State also needs to intervene and regulate the market. Maintaining the leading role of state-owned insurance enterprises is still extremely important to avoid negative impacts of external factors as well as takeovers by foreign companies.

In the context that Vietnam is actively integrating internationally, gradually opening the market according to international agreements and commitments, the insurance industry is facing new challenges and opportunities, requiring State management to have appropriate reforms. Therefore, training and retraining to improve the qualifications of the State management team in the insurance sector is very urgent.

### 5.2. On the side of the company

*In terms of businesses:* In addition to cooperating with businesses in the same industry to support and promote development, insurance businesses need to maximize relationships with businesses in other fields such as real estate, banking... to exploit customer database. Banks have been strongly distributing insurance products. However, according to practical observations, there are a number of aspects that need to be considered as follows:

The quality of after-sales customer care service at some banks is currently not good. Insurance sales staff focus too much on exploiting new customers and do not pay enough attention to taking care of old and existing customers. If the post-sale customer care stage is paid more attention and attention, the reviews of old and existing customers will have a spillover effect on current and future customers who intend to participate in insurance.

The consulting quality of the sales team needs to be improved. A part of the sales department is not honest when consulting or does not fully advise on product-related terms, causing customers to misunderstand, thereby creating a bad impression of insurance products.

Insurance products need to diversify further. Specifically in the non-life insurance segment, insurance businesses should develop new insurance products associated with the fields of agriculture, fishery, and forestry. Our country's agriculture is heavily affected by natural disasters and epidemics. However, when risks occur, losses compensated through insurance are still limited, especially insurance in the fields of fishery and forestry. Therefore, developing more insurance products in these specific areas will create conditions for people to feel secure in production and reduce the burden of supporting the State.

In terms of cooperation with banks in implementing insurance products, both sides need to aim for a long-term commitment to ensure the rights of customers who have purchased products from insurance enterprises. For example, the bank changing insurance partners will cause many obstacles for customers who have participated in insurance with payment by bank credit card in addition to other inconveniences that customers may encounter.

*In terms of information technology application:* Insurance businesses have been applying digital transformation to their business as well as meeting the payment needs of existing customers. However, digital transformation activities need to be deployed more strongly, especially in exploiting new customer data. Based on customer data sets from affiliated partners, such as banks, insurance businesses can conduct surveys on customers' needs, spending habits, transaction frequency, and customer classification... to be able to introduce suitable products to each customer group.

In addition, putting insurance products on e-commerce platforms is also a good distribution channel that needs to be further promoted in the future. Through the e-commerce platform, customers can access insurance products quickly, save time, use many utilities as well as preferential fees.

## 6. Conclusion

Insurance is a very important financial field for countries in general and Vietnam in particular. More than just a means of transferring risk, insurance today has become one of the effective capital mobilization channels for the economy. This article studies the current state of the insurance market in recent years, through identifying research indicators and research methods. From the data compiled, the article shows the entire picture of the Vietnamese market. The article also points out limitations in legal policies, operations of insurance businesses, and insurance organizations. Based on the results of synthesis and analysis, the author proposes a number of recommendations to develop the insurance market in Vietnam. Future research can focus more on each type of insurance, for example life insurance, non-life insurance, reinsurance; or limit the insurance market to some specific localities and research in more detail; use modern research methods, combining qualitative research methods and quantitative research methods to have a more comprehensive, complete, and in-depth analysis of this topic.

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