



SOCIETY OF ACTUARIES

Article from:

# International Section News

February 2004 – Issue 32

# Vietnam—Asia's Best Kept Secret

by Huynh Thanh Phong

**D**uring the past decade, Asia has been an exciting place to be for an actuary. The life insurance market opening of the two giants, China and India, as well as the

market liberalization of countries such as Thailand, Philippines, Korea, Japan, etc., resulted in significant activities by multinational life insurers in the region. Actuaries are important contributors to multinational efforts to open up the markets and play critical roles shaping the start-up operations in these new markets. The number of FSAs moving to Asia and committing to long-term careers there has been significant. While extensive coverage has been given to the development of the life insurance industries in China (and to a lesser extent India by the press and by the various actuarial publications), the best kept secret of Asia has definitely been the story of Vietnam.

With a population of 80 million, (the same as a mid size province of China), Vietnam has achieved incredible results and has made great strides forward in the life insurance field in the past five years. A decade ago, the country had only one state-owned monopoly non-life insurer with a total premium of a few million (USD) per annum and zero life policy inforce. The country currently has a vibrant and competitive insurance environment, with a dozen of actively expanding insurance companies, more than 3 million life policies in force, with a growing life agency force exceeding 80,000 and a total premium surpassing 2 percent of GDP. Most of these progresses took place within the last four years. While this exciting environment creates tremendous opportunities for both the companies and the insurance professionals involved, Vietnam's progress has been kept relatively low key and hence has not attracted much attention. In most people's mind, the word "Vietnam" remains either as a reminder of a war or as an exotic travel destination in South East Asia. This perception is slowly changing. The progresses made by the general economy and by the insurance industry in particular are attracting more and more attention. Asia's best kept secret is slowly leaking out to the world.

Vietnam's story began in 1993 when the government made the important political decision to liberalize the insurance industry and free it from the state's control. This was a watershed moment, given the fact that the Vietnamese authorities were, and still are, deeply committed to a "socialist orientation" for the economy's development. This liberalization process began with the creation of a roadmap

**International Section News**  
**Issue No. 32 • February 2004**

**International Section of the Society of Actuaries**  
**475 N. Martingale Road • Suite 600**  
**Schaumburg, IL 60173**

Phone: (847) 706-3500 • Fax: (847) 706-3599  
Web site: [www.soa.org](http://www.soa.org)

This newsletter is free to section members. A subscription is \$20.00 for nonmembers. Current-year issues are available from the Publication Orders Department by contacting Aleshia Zionce at (847) 706-3525. Photocopies of back issues may be requested for a nominal fee.

Expressions of opinion stated herein are, unless expressly stated to the contrary, not the opinion or position of the Society of Actuaries, its sections, its committees or the employers of the authors.

The Society assumes no responsibility for statements made or opinions expressed in the articles, criticisms and discussions contained in this publication.

Glenn Pinkus, Desktop Publishing Coordinator  
([gpinkus@soa.org](mailto:gpinkus@soa.org)) • Phone: (847) 706-3548 • Fax: (847) 706-3599

Lois Chinnock, Section Manager  
([lchinnock@soa.org](mailto:lchinnock@soa.org)) • Phone: (847) 706-3524 • Fax: (847) 273-8524

Martha Sikaras, Manager of Global Initiatives  
([msikaras@soa.org](mailto:msikaras@soa.org)) • Phone: (847) 706-3596 • Fax: (847) 273-8596

Randy Makin, Newsletter Editor  
Generali USA Life Reassurance  
8330 Ward Parkway  
Kansas City, MO 64114  
Phone: (816) 412-3729 • Fax: (816) 412-3700

Thomas E. Leonard, Assistant Editor  
Shyamalkumer Nariankadu Web Liaison

2003 - 2004 Section Leadership  
Yiji S. Starr, Chairperson  
Marc Slutzky, Vice-Chairperson  
Thomas E. Leonard, Secretary/Treasurer  
Rejean Besner, Council Member  
Michael P. Enright, Council Member  
William R. Horbatt, Council Member  
H. Carl Khor, Council Member  
Anna Louie, Council Member  
Ronald L. Poon-Affat, Council Member  
Paul M. Sauve, Council Member



SOCIETY OF ACTUARIES

Copyright © 2004 Society of Actuaries. All rights reserved. Printed in the United States of America

continued on page 8