

## **Rights and obligations of insurance companies in life insurance contracts: A qualitative case study from Vietnamese law**

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**Abstract:** In a life insurance contract relationship, rights and obligations are an agreement that one party must perform for the rights and obligations of the other party in this relationship. Accordingly, one of the rights and obligations that forces the insurance company to fulfill the interests of the insurance buyer is: (i) The right to cancel the insurance contract; (ii) Right to refuse insurance payment; (iii) Life insurance company's obligation to pay insurance... To concretize this, the State of Vietnam has issued the Law on Insurance Business in 2022. However, in practical application related to the rights and obligations of life insurance companies, there are still some problems, leading to insurance companies using many different reasons to limit the rights of life insurance companies. insurance participants. Through qualitative research method, the work will point out the shortcomings and propose some solutions in the future.

**Keywords:** *Insurance contracts, Life insurance, Obligations and rights of insurance companies.*

### **1. Introduction**

Life insurance has been around for a long time in countries around the world. In Vietnam, this type first appeared in 1996. During this period, legal documents generally recognized and regulated this type. By 2000, the National Assembly passed the Insurance Business Law, which became a solid legal basis for this type of business to do business and operate in Vietnam. As of 2021, the life insurance participation rate in Vietnam is just over 11% (Ngo Trung Dung 2023), this rate is lower than countries such as Malaysia (nearly 50%), Singapore (nearly 80%), America (nearly 90%). Besides, the level of life insurance participation in Vietnam is still quite low, about 2% of GDP, while in Thailand it is about 3.1% (Schiffman. L., Bednall, D., O'Cass, A., Paladino, A., and Kanuk, L. 2005).

Through the application process, it requires legal regulations to be adjusted and supplemented to keep up with social development. This motivates the 2022 Insurance Business Law to be born, creating more turning points for the insurance market, from ensuring the rights of insurance buyers to ensuring benefits for insurance companies. Strict management of legal regulations also aims to ensure the sustainable development of the insurance market, compliance with the law of market participants, and ensure stable development. of the economy and society, healthy competition between domestic insurance businesses and foreign insurance businesses, protecting the legitimate rights and interests of insurance service consumers as well as other subjects' insurance business.

However, there still exist a number of inadequacies related to the rights and obligations of insurance companies that have not been completely resolved. Specifically: the right to cancel the insurance contract, the right to refuse to pay the insurance or the obligation to pay the insurance, these rights and obligations directly affect the interests of the insurance buyer in the insurance contract. Therefore, the application of these rights requires the law to have specific regulations on how to implement or apply these rights and obligations. Through qualitative research method, the authors will analyze, compare

and evaluate relevant Vietnamese legal regulations on the rights of insurance companies. At the same time, we will also compare, contrast and refer to the legal regulations of some countries to clarify the issue, as well as propose some solutions to improve this mechanism in the future.

## **2. Current Legal Status of Insurance Companies' Rights and Obligations in Life Insurance Contracts**

### *2.1. Regarding the right to Cancel Insurance Contracts*

Based on the Law on Insurance Business 2022, there are regulations in cases where the insurance buyer intentionally provides incomplete information or provides false information in order to enter into an insurance contract to benefit from the following policies: Compensation policy and insurance payments will be in the event that the insurance company has the right to cancel the contract. Accordingly, the right to cancel the contract is a new right recognized in the Insurance Business Law 2022, compared to the Insurance Business Law 2000. Revolving around the issue, the insurance company will base on its obligation to provide information of buyer's information to cancel the insurance contract as follows:

*Firstly*, in Clause 2, Article 22 of the 2022 Business Law, determined that if an insurance buyer "intentionally provides incomplete information", it is unreasonable for the insurance company to have the right to cancel the contract, because currently there is no basis to specifically determine that the insurance buyer did not provide or provided incomplete information. This regulation can cause difficulties for insurance buyers because they do not always have full information or a clear understanding of risk factors. The information provided by the insurance buyer to the insurance company is entirely based on the declaration form requested by the insurer through the consultant department or by information declarations, including personal information, health information. In the case of accepting the conclusion of an insurance contract, the insurance company carries out an appraisal process, the purpose of the appraisal process is to confirm whether the information received is appropriate and accurate or not. Accordingly, health information is also checked by the insurance company by comparing it at the specific location or medical facility requested by the insurance provider to perform the health check. Thus, it can be seen that the information provided for contract conclusion is complete or not mainly comes from the insurance company's request. In case of incomplete information, the insurance company has right to request additional missing information from the insurance buyer. If a dispute occurs, the insurance company believes that the buyer lacks necessary information, so canceling the contract without paying compensation seems unreasonable.

*Secondly*, in Clause 2, Article 22 of the Law on Insurance Business 2022 determined that if the insurance buyer "provides false information", it will be the basis for the buyer to cancel the contract. This basis is not reasonable. Due to the fact that when buying an insurance contract, the buyer must first provide health-related information, and now most insurance contracts disputes are considered "false". this mainly comes from the insured person's health information during the process of declaring information or providing it to the insurance company through an insurance request. The insurance buyer only carries out the information stated in the request form from the insurance company. The information requirements in this document can lead to different misinterpretations when declaring by the insurance buyer. If there is no consistent understanding and application between the parties, it will become the basis for the policy. The insurance company determined that it was unreasonable for the insurance buyer to provide false information. For example, the issue in Case Law 22/2018/AL has determined that there is no violation of the obligation to provide medical condition information in life insurance contracts.

According to the case law, the authors only consider the aspect that the insurance buyer is providing information according to the insurance request form, not considering that this is a basis for not paying the insurance money. The case law is summarized as follows: before entering into two insurance contracts, customer Truong Thi H had a history of stomach pain and increased blood fat but did not declare it in the questionnaire in the insurance application. At question No. 54 of the insurance

application dated March 25, 2009 issued by life insurance company C, "Gastrointestinal ulcers, gastrointestinal bleeding, pancreatitis, colitis, frequent indigestion, difficulty swallowing, or disorders of the stomach, intestines, liver or gallbladder?" Ms. H proactively checked the box with no signs of the diseases listed above. Based on this basis, the insurance company believes that Ms. H was not truthful in declaring relevant health information.

In the case law, in her opinion, Ms. H said that stomach pain is not one of the diseases covered by question number 54 in the insurance application. While the insurance company believes that stomach pain belongs to the cases stated by the company in the insurance application and determines that the insurance buyer has provided false information, thereby making a decision to cancel the insurance contract. The court's opinion in the case law was that: "there was not enough basis to determine that Ms. H lied when signing the insurance contract" and declared that Ms. H won the case. It can be seen that the insurance company's determination that Ms. H committed the act of providing false information in the above case law is inappropriate. Thereby, referring to legal regulations, the authors believe that the determination of the buyer "providing false information" in Clause 2, Article 22 of the 2022 Insurance Business Law is not reasonable and needs more information. Document guiding this issue. In essence, giving information that needs to be provided by the insurance company is not comprehensive, leading to different interpretations and lack of consistency, leading to insurance buyers self-declaring their health status with errors. This is not an intentional concealment of information from the insurance buyer.

## *2.2. Regarding the Right to Refuse Insurance Payment*

In 2022, based on the final judgments of the Supreme People's Court on the number of judgments in the insurance field, it shows that there were 17 disputes at the Court related to life and non-life insurance, the main cause comes from the customer being refused insurance payment by the insurance company. In particular, the life insurance sector has 03 judgments. The total amount of insurance payments requested is nearly 12.4 billion VND, the total amount of compensation the losing insurance company must pay is nearly 11.2 billion VND. In the life sector, there were 03 disputes, the results showed that the insurance buyers all won the lawsuits (2 cases at Aviva Vietnam and 01 case at AIA Vietnam) (Stock Investment 2023).

In general, the 2022 Insurance Business Law clearly stipulates the cases in which the insurance company has the right to refuse to pay insurance benefits, including cases that are not within the scope of insurance liability or cases that fall under the exclusion clause. insurance liability. The liability exclusion clause is one of the clauses that is not required to be in an insurance contract. Whether or not this clause is applied to the insurance contract depends on the will and agreement between the insurance buyer. and insurance company. However, the drafting of the contract belongs to the insurance company, which leads to cases where the liability exclusion clause is specified in the insurance contract but the insurance buyer himself has no agreement. In cases where the insurance company interprets this exclusion clause according to the provisions of law, it may unintentionally mislead the buyer into normal interpretations of other clauses. In addition, the liability exclusion clause is the basis for the insurance company to exercise its right to refuse to pay the insurance money. As analyzed above, in case the insurance event occurs within the scope of the exclusion clause, the insurance company does not have to pay the insurance amount to the beneficiary.

The Law on Insurance Business 2022 has eliminated the case of "not applying the clause excluding insurance liability when the insurance buyer unintentionally violates the law" on the basis of the Law on Insurance Business 2000 amended and supplemented in 2010, this is a progressive point, helping to balance the interests of the parties in the insurance contract. In the process of exercising their rights, insurance enterprises need to have specific and accurate grounds, and the basis for exercising their rights must also be specific, clear and accurate. Accordingly, at Article 19 of the Law on Insurance Business 2022 stipulates:

1. *Disclaimer clauses shall prescribe cases in which insurers or foreign non-life insurers' branches can refuse to pay claims and insurance.*

2. *In the presence of clauses on disclaimer of insured liability, insurers and foreign non-life insurers' branches must clearly elaborate them in insurance contracts, give explicit, adequate explanations and evidence about the fact that insurers have already received full and clear explanations of these disclaimer clauses by insurers and foreign non-life insurers' branches when concluding insurance contracts.*

3. *Where any force majeure event or circumstantial obstacle results in the policyholder's late notice of any policy event, the insurer or foreign non-life insurer's branch is not allowed to apply disclaimer clauses.*

To understand exactly what an exclusion of liability means, it is important to consider the perspectives of both the insurer and the insured. From the insurer's perspective, this clause can act as a risk management tool, minimizing potential losses that may arise from certain events. By excluding coverage for certain situations, insurance companies can offer cheaper premiums to policyholders.

On the other hand, from the insured's perspective, the inclusion of this clause may cause insecurity and anxiety. It is important that insureds carefully evaluate the impact of these exclusions to ensure coverage is appropriate for their unique needs. This not only protects the interests of the insurance buyer to avoid the insurance company from abusing the grounds of rights to avoid the obligation to pay insurance, but also helps the insurance company have a basis for correct implementation. Avoid complaints arising during the process of settling insurance benefits. Th, it is required that in case there is a liability exclusion clause agreed in the contract, that clause must be clearly stated. It is necessary to limit the exclusions of liability that an insurance company can include in an insurance contract.

Studying the above regulations, the authors found that there are still some limitations that need to be removed as follows:

*Firstly*, according to Clause 2, Article 19 of the Law on Insurance Business 2022, the case of liability exclusion is recorded as follows: "clearly specified in the insurance contract, must be explained clearly and fully" but the regulation is in the direction of There can be "yes" or "no" on the liability exclusion clause, which will lead to many consequences in case an insurance event occurs. First of all, if there is an insurance exclusion clause, the insurance premium may be low, or conversely, if there is no exclusion clause, the insurance buyer will have to pay a high fee due to the company's insurance coverage. Insurance coverage is more extensive. In addition, if the insurance exclusion clause is not applied, it will affect the rights of the insurance company.

*Secondly*, in insurance business law, only definitions of concepts, principles, responsibilities and exceptions are given. However, no limit has been set for the application of this provision. The basis for refusing to pay insurance money includes a liability exclusion clause, so stipulating this clause in the insurance contract will be a negative tool to help the insurance company avoid its obligation to pay insurance. your danger (Do Phuong Thao, 2024). In fact, insurance business contracts are all contracts drafted by insurance businesses, so the possibility that the insurance buyer cannot know the "exclusion of liability" clauses has the business. It is impossible to arbitrarily include insurance in the insurance contract or not. In case the insurance company applies this clause to the contract, it will lead to disputes when the insured event occurs, at that time the interests of both sides were not guaranteed.

*Thirdly*, according to the provisions of Clause 3, Article 19 of the Law on Insurance Business 2022, it is not appropriate, because it is only limited to "insurance buyers", but does not mention other subjects, for example "insured person". Because in many human insurance contracts, the buyer or the insured, the beneficiary are sometimes not the same subject (Nguyen Thi Bich Mai 2019). In the case where the insurance buyer buys it for himself and the beneficiary is another person, when the insured event happens to the insured person, it is the same event that happens to the insurance buyer, for example in case the insured event is the death of the insured person (the insurance buyer is also the insured), the insurance buyer cannot make a notification of the insurance event to the insurance company. In addition, the insurance company can stipulate the case of late notification from the beneficiary in the case with the above example as a basis for refusing to pay the insurance money.

Therefore, the provisions in Clause 3, Article 19 of the 2022 Law on Insurance Business partly only apply to cases where the insurance buyer and the insured do not overlap.

### *2.3. Regarding the Obligation to Pay Insurance Money When an Insured Event Occurs*

Insurance payment is one of the most concerning issues for parties in life insurance contracts. On the basis of Clause 1, Article 31 of Vietnam's 2022 Insurance Business Law stipulates: "1. In case of occurrence of the policy event, the insurer or the foreign non-life insurer's branch shall pay insurance indemnity or coverage within the time limit agreed upon in the insurance contract. In the absence of any agreement on the time limit, the insurer or the foreign non-life insurer's branch shall pay insurance indemnity or coverage within the time limit of 15 days of receipt of all valid documents concerning request for payment of insurance claims and coverage". However, in reality, the insurance payment period can last up to 1 month - 2 months or even longer. When evaluating practice and considering the insurance company's responsibilities, we find certain limitations as follows:

*In the first place*, stipulating a specific time limit helps ensure that insurance participants receive compensation and pay insurance money quickly and promptly, avoiding damage due to delay. However, compared to some complicated cases that require a lot of time to investigate and verify, it may take longer than 15 days to complete compensation procedures and insurance payments. In addition, regulations require insurance companies to pay compensation within 15 days of receiving "complete valid documents", but the concept of "valid documents" is currently not clear regulated. Furthermore, the authors realized that the insurance payment request file has not been recorded in any professional agency's documents in the insurance field, the implementation of this insurance payment request is usually carried out according to the separate regulations of the Government. each insurance company. This leads to many cases of delayed insurance payments due to "invalid documents", considering the recent court judgments in Vietnam are a specific example of why there is a reason. "Invalid documents" to delay payment of insurance money to beneficiaries. To clarify this issue, the authors can explain the issue in judgment No. 236/2024/DS-PT dated March 26, 2024 of the People's Court of Ho Chi Minh City, the dispute between the plaintiff, Mr. Le Van C with the defendant, Insurance company B. In the context of the case, company B refused to pay insurance to Mr. C, who is the beneficiary of the insured, Doan Thi N, under the insurance contract. No. 74726626 for the reason that the plaintiff did not provide the autopsy report or the investigation conclusion report of the competent authority confirming the cause of death of Ms. N, so the defendant had no basis to pay insurance benefits. dangerous for the plaintiff.

The court's opinion in this case: Documents that the insured needs to provide under the insurance contract in case the insured dies due to an accident, in article 10.3d) of the contract stipulates " Death certificate/death notice according to the provisions of law. Particularly for relevant documents as prescribed in Article 10.3, point c, including "Investigation minutes of investigation conclusions of the competent police agency, if any", this is a regulation in the case of the clause "if - then" is understood to mean that if you have it, you will provide it, otherwise you will not have to hand it over, so this is considered a non-mandatory condition.

In addition, according to the instructions for requesting settlement of insurance benefits issued by the insurance company attached to the insurance contract, there are regulations on required documents when settling insurance benefits in the case of death is a "Death notice/death certificate", the clause does not stipulate that it is mandatory to have an "Investigation conclusion or autopsy report" as requested by the defendant to present the defendant's claim. The reason the plaintiff did not provide the autopsy report and the investigation conclusion report, so the defendant refused to pay insurance benefits to the plaintiff, is not in accordance with the agreement in the contract and has no basis for acceptance, hence, requesting additional documents in addition to the insurance company's insurance claim settlement documents can clearly be understood as a case of invalid documents, which is the reason for not paying insurance money risks leading to disputes arising.

*In the second place*, the adjusted sanctions on Vietnam related to the issue of late payment are not strong enough to deter delay behavior, which is only the payment of interest (in case the parties do not determine the interest rate, the interest rate will be determined). The interest rate for late payment according to Article 468 of the 2015 Civil Code is 10%/year (in case of agreement, the interest rate does not exceed 20%/year) due to late payment of insurance money, this leads to public consequences. The insurance company can give many reasons to delay payment of insurance money, forcing the claimant to take another solution, which is to sue in court. An example of this case can be explained in Judgment No. 188 dated February 22, 2023 of the People's Court of Nam Dinh province. Summary of case files shows that Mr. participated in insurance and signed an insurance contract with M Company Limited (hereinafter referred to as the Company) on December 22, 2019 under insurance contract number: 2910849032 - with basic products: M happy journey - prioritize savings. Specifically: The insurance buyer is Ms. Tran Thi Phi D and the insured: Mr. Dinh Van T. The insurance period is 15 years, with periodic payments per year of VND 15,128,000 (insurance fee). basic insurance) and pay an amount of 4,654,000 VND (additional insurance premium). On May 6, 2020, he fell ill and was hospitalized for treatment at City H University of Medicine and Pharmacy Hospital (referred to as the hospital) from May 6, 2020 to May 16, 2020, with a diagnosis of diseases as follows: Right pontine infarction (I63); Multiple intracranial artery stenosis observed due to ruptured fibrosis (I66.9); Secondary atrial septal defect 3 with occlusion (Q21.1); Disc herniation at the T12-L1 level compressing the spinal cord (M51.2); Monitor right cerebellar hemisphere DVA (I86.8); Hypertension in young people following pheochromocytoma (I10). The hospital performed surgery to repair his heart due to a hole, leading to lack of blood flow to the brain, and the risk of recurrence. On May 16, he was discharged from the hospital. On May 22, 2020, he completed the paperwork and submitted it directly to the Company office to receive insurance money under contract number: 2910849032. On June 7, 2020, Mr. T received a document from the Company. Submit a request for additional documents so that the Company has a basis to resolve insurance benefits. Specifically: Medical documents for treatment of occluded atrial septal defect (surgery documents, hospital discharge papers, medical examination books, prescriptions, etc.); results of periodic health examinations; Power of attorney certified by the local People's Committee. Mr. T completed the addition and sent it to the Company on June 16, 2020. After receiving the application, the Company repeatedly promised, delayed (Compared to the contract, the settlement of insurance benefits is no later than 30 days). And on August 13, 2020, Mr. T received a document from the Company with the result: suspension of the implementation of the Insurance Contract and refusal to resolve serious illness insurance benefits for his request. grandfather. Based on the discharge information sheet for the treatment period on May 6, 2020 at the hospital, Mr. T was diagnosed with a medical history of "...III. Medical history: Untreated hypertension (normal BP 130- 140/? mmHg) within the past 2 years...".

The decision of the Court of Appeal is as follows: Force M (Vietnam) Company Limited to pay Mr. Dinh Van T the amount of Insurance Contract No. 2910849032 totaling 326,920,000 VND. From the date the judgment or decision takes legal effect (in cases where the judgment enforcement agency has the right to proactively issue a decision to execute the judgment) or from the date of the judgment execution request from the judgment creditor. until the execution of the judgment is completed (for the amounts payable to the judgment creditor) until the judgment debtor is completed, the party against whom the judgment must be executed must also bear interest on the remaining amount to be executed according to the interest rate set. stipulated in Article 357, Article 468 of the 2015 Civil Code. From the above judgment, it can be seen that the insurance company has many requests for the insurance claimant's records, which then has grounds for delay, promising to pay insurance money over the specified time has passed in regarding insurance payments, the decision was even made to suspend the implementation of the insurance contract.

### 3. Some Recommendations on the Rights and Obligations of Insurance Companies in Life Insurance Contracts

#### 3.1. Regarding the Right to Cancel Insurance Contracts

Based on the analysis of the inadequacies of the provisions in Clause 2, Article 22 of the Law on Insurance Business 2022 and reference to the case of contract termination regarding the obligation to provide information to the insurance buyer, the authors have a proposed amendment as follows:

*Firstly*, related to the connotation of the phrase "intentionally providing incomplete information". There needs to be specific adjustments, accordingly, instead of the current general regulations, lawmakers need to specify cases that are considered "intentionally providing incomplete information". For example: The insurance buyer knows but intentionally does not disclose important information about health status, medical history, or other risk factors that can affect the company's risk assessment. The insurance company or insurance buyer intentionally provides false or ambiguous information to conceal important information.

Accordingly, it is necessary to remove cases of "incomplete information" due to objective shortcomings of the insurance buyer. For example, due to misunderstanding of requirements or lack of necessary information. In some cases, the information provided is incomplete and is only "secondary information" and does not affect the insurance receipt as well as the insurance payment activities of the insurance company. is not a basis for canceling an insurance contract (Tran Thi Thuy 2019).

*Secondly*, it is necessary to clearly distinguish between providing false information due to subjective errors and objective errors of the insurance buyer. In cases of providing false information due to subjective errors, a clear and specific information verification process is required to ensure accuracy and objectivity as well as appropriate handling measures with the severity of the violation. For example: warnings, cancellation of contracts or prosecution of legal liability. In the case of providing false information due to objective errors, it is required to promulgate regulations allowing insurance buyers to amend false information within a certain period of time. Accordingly, the insurance company is not allowed to cancel the insurance contract because the party providing false information due to an objective error, but needs to have support measures for the insurance buyer to provide accurate information, missing information can be resolved through additional declarations or adjustments to the insurance contract.

Determining the main important or objective factors helps the agency to cancel the agreement, avoiding cases where reasonable but misleading information during the insurance buyer's declaration process accidentally leads to cancellation of the contract. Reasonable, not to mention this job can be a basis for not paying insurance (Phuong, N. T., Khoe, T. T., & Van, T. T. T. (2024).

#### 3.2. Regarding the Right to Refuse to Pay Insurance Premiums

When it comes to insurance policies, understanding exclusions is essential. Among the types of clauses included in insurance contracts, exclusion clauses are especially important. These exclusions are designed to minimize risk for insurers, as well as ensure policyholders can understand the coverage under their policy. Specific regulations are required, because this is the basis for applying the insurance company's right to refuse to pay insurance premiums. Accordingly, when referring to the contents of this clause based on Korean law, it is found that it is necessary to amend and supplement in the following direction:

*Firstly*, with specific regulations on "yes" or "no" to the exclusion of insurance liability in the insurance contract, according to the authors, the liability exclusion clause should be specified as a mandatory clause in the insurance contract. This is considered the establishment of a specific liability exclusion clause for life insurance contracts. Because the subject matter of a life insurance contract is very important, this exclusion clause is a consideration for the buyer within the scope of insurance, not only that, the buyer can know about cases outside the scope of insurance. Besides, it is necessary to clearly stipulate the legal consequences in case the liability exclusion clause is not specified in the insurance contract. According to the authors, Clause 2, Article 19 of the Insurance Business Law 2022

should be added as follows: "Insurance enterprises and branches of foreign non-life insurance enterprises must clearly stipulate liability exclusion clauses in insurance contracts, must explain clearly and fully and have evidence confirming the insurance buyer has been fully explained and clearly understood this content by the insurance enterprise or branch of the foreign non-life insurance enterprise when entering into the insurance contract." As for the legal consequences of the contract, the general principle in the Civil Code can be applied; the insurance contract, after being established, can be declared invalid (Thin, D. Q., Phuong, N. T., Van, T. T. T., Huyen, D. T. N., Khoe, T. T., & Van Dinh, N. 2024).

*Secondly*, it is necessary to specifically stipulate liability exclusions that can be included in insurance contracts or limitations on this clause. Avoid the insurance company abusing this clause as a basis to refuse to pay insurance. The liability exclusion clause also contains negative elements, but in essence, the liability exclusion clause has the function of preventing one party from exercising the right to request the other party to take responsibility. In some cases, it can be a means for one party to avoid responsibility. In other words, liability exclusion clauses increase the possibility of non-performance of the contract, which goes against the binding effect of a legally entered into contract, so it requires legal intervention. When considering the provisions of Korean law in the Commercial Act and Insurance Business Law, the authors found it necessary to limit the liability exclusion clause in the provisions of insurance business law. in one of two directions: First, universally stipulate the liability exclusion clause as follows: "The insurance liability exclusion clause is only regulated in cases that ensure the interests of the insurance buyer", this regulation is almost similar to the *Contra proferentem* principle of English law when against the contract drafter. ; Second, specify the cases in which liability exclusion clauses are selected when stipulating in life insurance contracts". Specifically, some cases are stipulated in Korean law as follows: exclusion of pre-existing diseases, exclusion of experimental or research treatments, exclusion of war or terrorism. These cases are cases where the insurance company is allowed to choose the provisions within the life insurance contract.

*Thirdly*, it is proposed to add Clause 3, Article 19 of the Law on Insurance Business 2022 as follows: *In case of force majeure events or objective obstacles that cause the insurance buyer, the insured or the beneficiary to delay notification of an insurance event, the insurance enterprise or branch of a foreign non-life insurance enterprise may not apply the clause excluding insurance liability for late notification.*

### 3.3. Regarding the Obligation to Pay Insurance Money When an Insured Event Occurs

From the limitations that the author has presented in subsection 2.3 above, the authors have a number of recommendations to amend Vietnamese law as follows:

*First of all*, adjust Clause 1, Article 31 of the Law on Insurance Business 2022 as follows: Regulating the responsibility of listing valid documents for each case of insurance claim for insurance enterprises. On the basis of the following adjustment: "*insurance enterprises and branches of foreign non-life insurance enterprises are responsible for listing valid documents on compensation claims and insurance payments*". We believe that adding regulations on listing details of "valid documents" in Article 31, Clause 1 of the 2022 Insurance Business Law is necessary to improve transparency and clarity in the process insurance claim. By specifically listing required documents, insurance participants will have a better understanding of what they need to prepare, thereby minimizing the possibility of claims being denied due to incomplete documents.

In addition, Clause 1, Article 31 of the 2022 Law on Insurance Business needs to be amended to create more flexibility in compensation terms depending on each type of insurance. On the basis of the following adjustment: "In case there is no agreement on the time limit, insurance enterprises and branches of foreign non-life insurance enterprises must compensate and pay insurance within 15 days. It can be extended but not more than 30 days from the date of receipt of complete and valid documents."

*Furthermore*, adjust Clause 2, Article 31 of the Insurance Business Law 2022 according to the instructions: Adding stronger financial regimes. Accordingly, "In case a risk insurance enterprise or branch of a foreign non-personal insurance enterprise is late in compensating or paying insurance

premiums according to the provisions of account 1 of this Article, in addition to having to pay the amount late payment. Performance with the amount of deferred payment is determined by agreement of the parties in accordance with the provisions of the Civil Code. Subject to major fines ranging from 10% to 50% of the late payment amount depending on the level and time of late response, according to the regulations of the water management agency.

*Finally*, supplement in Clause 3, Article 31 of Vietnam's 2022 Insurance Business Law related to the mechanism for establishing a monitoring and complaint resolution mechanism. According to the direction: "The insured person and the beneficiary have the right to file a complaint with the insurance management agency about the delay or delay in compensation or insurance payment." The insurance management agency will establish a mechanism to monitor and receive complaints from insurance buyers about delays in compensation and insurance payments. This agency has the authority to require insurance enterprises to report and explain, as well as apply timely handling measures for violations.

#### 4. Conclusion

The more specific the legal regulations related to life insurance (Phuong, N. T., & Van, T. T. T. (2024), the easier the implementation and application as well as monitoring of the contract subjects, and conversely, unclear regulations will lead to many problems. Different interpretations of a regulation. In the process of researching the law related to the limitations of insurance companies' rights in life insurance contracts, we found that there still exist many inadequacies or contradictions and unreasonableness in the application process in reality. Through the article, the authors have focused on clarifying legal inadequacies related to issues of rights and obligations of insurance companies in life insurance contracts such as: the right to cancel insurance contracts, right to refuse to pay insurance contract, obligation to pay insurance money. Thereby, the process of properly implementing the rights as mentioned must be implemented in accordance with the spirit of the law, contributing to ensuring harmony between the interests of the parties in the insurance contract relationship, helps in developing transparency of the insurance market.

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