

LEGAL REGULATIONS ON PROFESSIONAL LIABILITY INSURANCE IN VIETNAM: MAJOR CHALLENGES AND SOLUTIONS

REGULAMENTAÇÃO LEGAL SOBRE SEGURO DE RESPONSABILIDADE CIVIL PROFISSIONAL NO VIETNÃ: PRINCIPAIS DESAFIOS E SOLUÇÕES

REGLAMENTO JURÍDICO SOBRE SEGUROS DE RESPONSABILIDAD CIVIL PROFESIONAL EN VIETNAM: PRINCIPALES RETOS Y SOLUCIONES

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ABSTRACT

Objective: To examine the legal framework of professional liability insurance in Vietnam, identify the main implementation challenges, and propose legal and practical solutions to enhance its effectiveness.

Method: This is a qualitative, legal-dogmatic research based on the analysis of Vietnamese laws (e.g., Insurance Law, Law on Lawyers, Law on Independent Audit) and international guidelines, such as the United Nations Guidelines for Consumer Protection. The study also includes comparative elements, especially with the United States.

Results: The study identified several shortcomings in Vietnam's system, including the lack of a unified law for all professions required to have insurance, unclear regulations on premiums and minimum coverage, complex bureaucratic procedures, and limited awareness among professionals. Moreover, regulatory oversight and enforcement mechanisms are weak or nonexistent.

Conclusion: Vietnam must consolidate mandatory insurance requirements into a single legal framework, establish clear parameters for coverage and premiums, simplify administrative procedures, and increase public awareness. Strengthening the legal and regulatory framework will enhance adherence and better protect both professionals and the public.

Keywords: Challenges, Negligence, Solutions, Professional liability insurance, Professional services

RESUMO



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Objetivo: Analisar a regulamentação do seguro de responsabilidade civil profissional no Vietnã, identificando os principais desafios enfrentados em sua implementação e propondo soluções legais e práticas para sua efetivação.

Método: Trata-se de uma pesquisa qualitativa, com abordagem jurídico-dogmática, baseada em análise documental de legislações vietnamitas específicas (como as Leis do Seguro, da Advocacia, da Auditoria Independente, entre outras) e diretrizes internacionais, como as da ONU para proteção ao consumidor. O artigo também realiza comparações com práticas em países como os Estados Unidos.

Resultados: Foram identificadas várias deficiências no sistema vietnamita, como a ausência de uma legislação unificada para todas as profissões obrigadas a contratar o seguro, falta de regulamentação clara sobre prêmios e cobertura mínima, procedimentos burocráticos complexos e baixa conscientização entre os profissionais. Além disso, há lacunas na supervisão regulatória e na imposição de sanções por não cumprimento.

Conclusão: É essencial que o Vietnã consolide as exigências legais em uma única norma, defina parâmetros mínimos de cobertura, simplifique os processos burocráticos e promova campanhas educativas. O fortalecimento do arcabouço jurídico e da fiscalização garantirá maior adesão ao seguro, protegendo tanto os profissionais quanto os consumidores.

Palavras-chave: Desafios, Negligência, Soluções, Seguro de Responsabilidade Civil Profissional, Serviços Profissionais

1 INTRODUCTION

1.1. OVERVIEW OF PROFESSIONAL LIABILITY INSURANCE

Professional liability insurance (PLI) protects experts in a particular field from negligence claims and other claims that their clients may initiate. Some professionals who require this type of insurance are accountants, lawyers, and doctors because general insurance does not protect them from this kind of claim. The claims could range from professional negligence, malpractice, mistakes, or misrepresentation (Kagan, 2024). The Insurance Training Center (2024), on its part, states that Professional Liability Insurance is a form of insurance designed to protect professionals against economic loss arising from third-party claims *"alleging negligent performance of the professional services they provided."* The reason is that professionals bear legal liability for their actions while delivering their professional services. The Hartford Insurance (2024) has also noted that professional liability insurance, also known as errors and omissions insurance (E&O), protects businesses from mistakes they might make while delivering professional services to their customers or clients. Insurance covers claims such as negligence, Misrepresentation, Inaccurate advice, personal



injury, copyright Infringement, and defence costs. Some professions that require this type of insurance include accountants, Consultants, market research firms, Interior designers, Advertising agencies, Graphic designers, Technology professionals, and healthcare professionals (The Hartford Insurance, 2024).

Kagan (2024) has posited that professional liability insurance could have different names depending on the professional liability it covers. For example, malpractice insurance is available for medical practitioners, and errors and omissions insurance is available for real estate agents. Kagan (2023) wrote that malpractice insurance is a professional liability insurance policy taken by healthcare professionals. It is an insurance that protects healthcare providers against suits launched by patients complaining they were harmed by the professional's negligence or intentionally harmful treatment decisions. The insurance also covers the death of a patient. The American Academy of Physician Associates (AAPA) (2025) argues that all practicing associates (PAs)- licensed clinicians who practice medicine in every specialty and setting- should have professional liability insurance (Malpractice insurance) during all their practicing periods. AAPA argues that the insurance covers PAs from exposure to liability arising from the profession, including but not limited to allegations of malpractice. It offers the necessary protection against catastrophic financial liabilities arising from a malpractice suit launched by a patient.

Errors and omissions (E&O), on its part, is a type of professional liability insurance that covers a business from claims that it made a mistake or failed to provide a service. It protects a business from

Claims by clients for errors or mistakes, faulty advice, or failure to provide the level of service your client expected. It also covers claims based on your failure to do the work, meet a deadline, or otherwise fulfill the terms of a contract (Bonner, 2024).

1.2. RATIONALE FOR THE TOPIC

Since the inception of the *Doi Moi* reforms in Vietnam in 1986, the economy has grown tremendously from a low-income economy to a middle-income economy. The rapid development of Vietnam's economy has led to the need for protecting professional liabilities. Professional liabilities are claims or legal lawsuits that could be launched against a professional due to their errors, omissions, or negligence in the course of their duties. According to Vietnamese Laws, this research has established



that specific sectors require practitioners to carry mandatory professional liability insurance. The key sectors that require professional liability insurance include healthcare, law, accounting, architecture, etc. The research has also established that each of the sectors has a law governing them, and the mandatory professional liability insurance requirement is contained in the specific law. The research has also found challenges in implementing professional liability insurance regulations in Vietnam. The challenges established include the lack of a specific law stipulating the need for professional liability insurance in the affected professions. Instead, the requirements are scattered in many different laws, laws that do not specify the minimum professional liability insurance coverage, a weak system for ensuring all the parties required by law take out professional liability insurance, etc. The article will analyze all these challenges and suggest possible solutions.

2 OVERVIEW OF PROFESSIONAL LIABILITY INSURANCE REGULATIONS IN VIETNAM

2.1. EXISTING LEGAL FRAMEWORK FOR PROFESSIONAL LIABILITY INSURANCE

Vietnam has stipulated the requirement for professional liability insurance. According to Hoai (2023), some laws stipulating the requirement for professional liability insurance are the Law on Lawyers, the Law on Medical Practice, and the Law on Independent Auditors, etc. The laws do not specify the minimum professional liability insurance coverage. As a result, many firms go for the packages that offer the maximum compensation, typically equivalent to their annual revenue.

The Vietnamese Civil Code 2015 (called Civil Code) has addressed the issue of insurance contracts and the liability of the involved parties. It has stipulated the legal framework that governs civil liability and insurance contracts, including obligations to compensate for damages caused by individuals or organizations. In this case, professional liability insurance falls under civil liability. In Civil Code, Article 275 has outlined the bases that give rise to obligations between obligors¹ and obligees²,

¹ Obligor is a person/ entity who owes a legal obligation to another person/entity.

² Obligee is a person/entity that is owed something by another person or entity.



including Article 275, Clause 1, contracts, and Clause 2—unilateral legal acts. Article 276, on the subject matter of an obligation, stipulates in Clause 1. *"The subject matter of an obligation shall be property or acts which must be performed or acts which must not be performed."* The subject matter in this research article is professional liability insurance; it can be correctly argued that the insurance contract must clearly show *"acts which must be performed or acts which must not be performed"* by both the obligor and the obligee. Clause 2 requires *"the object of an obligation must be defined."* In this case, the contract must reflect that it is a professional liability insurance contract and then proceed to cover all the requisite details.

Civil Code deals with places for performing obligations in Article 277. Article 277 Clause 1 requires the parties to agree on the place for performing obligations. Article 277 Clause 2 makes provisions for cases where the parties do not agree on the place for performing obligations, with Clause 2 point (a) stating that the place for performing obligations shall be *"the location of the immovable property, if the subject matter of the obligation is immovable property."* Point (b) *"The place of residence or head office of the obligee, if the subject matter of the obligation is not immovable property."* In this case, Civil Code explicitly describes the place for performing obligations. Article 277 stipulates that if the obligee changes residence or head office, they must notify the obligor of the change and bear any increase in expenses emanating from the change of residence or head office unless they had agreed otherwise.

Another thorny issue, Civil Code has handled is the time limits for performing obligations. In this case, the obligor and the obligee should act within the dictates of the Civil Code Articles 149-157 that deal with limitation periods. Article 149 Clause 1 stipulates that *"Limitation period means a time-limit provided by law where, upon its expiry, a legal consequence shall arise concerning a subject under conditions provided by law."* It is further clarified within the same Clause that *"This code or other relevant laws apply limitation periods."* Civil Code has tackled the issue of time limits for obligations and contracts in Article 278. Article 278, Clause 1 stipulates that the time limit for performing an obligation shall be as agreed by the obligor and obligee, as dictated by the law, or may be decided by a competent state agency. Clause 2 requires the obligor, unless there are other provisions in the Civil Code or other relevant laws, to adhere strictly to the relevant time limit. Article 278 has also acknowledged that there are situations in which the obligor and their obligee cannot pre-determine time limits and account for them in their contracts. In that case, Article 278 Clause 3 of Civil Code



provides that *"either party may fulfil the obligation or demand the fulfilment of the obligation [as the case may be] at any time, but must give reasonable prior notice to the other party."*

2.2. PROFESSIONS AND SECTORS LEGALLY REQUIRED TO CARRY PROFESSIONAL LIABILITY INSURANCE

The National Assembly of Vietnam passed Law No. 08/2022/QH15 on insurance business dated June 16, 2022. The Law came into force on 1st January 2023. The Law on Insurance Business deals with compulsory insurance in Article 8, Clause 1: "Compulsory insurance means an insurance product or plan serving the purposes of protection of public interest, environment, *and social safety*." Then, Article 8, Clause 2 on classes of compulsory insurance. Point d states, "*classes of compulsory insurance prescribed in other laws that meet the regulations laid down in Clause 1 of this article*." At this point, it is evident that the government of Vietnam, Law on Insurance Business, Article 8, Clause 1, has established that there are types of insurance that shall be mandatory in Vietnam. Clause 2 points out that other types of compulsory insurance have been prescribed in other laws. Clause 3 has established that entities and persons eligible for participation in compulsory insurance shall be obliged to do the same. Using the word "oblige," the law has made it clear that such participation is not optional. The said entities must take out insurance in the legally prescribed manner. In addition, Clause 5, the government has undertaken to regulate compulsory insurance by establishing the level of coverage, premiums, and minimum insurance coverage. However, there are no specific regulations to-date regarding the level of coverage, premiums, and minimum insurance coverage in professional liability insurance.

The Law on Insurance Business addresses the issue of insurance contracts in Article 15. The law has established five types of insurance contracts in Clause 1, Points: a) Life insurance contract, b) Health insurance contract, c) Property insurance contract, d) Property damage liability insurance contract, and e) Liability insurance contract. The law further clarifies that all other forms of insurance contracts are to be subject to Civil Code, Article 15, Clause 4. Therefore, it is noteworthy that the Vietnam Law on Insurance Business has acknowledged the existence of a liability insurance contract and grounded it in Law under Article 15, Clause 1, point đ. This Law also



addresses Liability insurance contracts in Section 4, Article 57: the subject matters covered where it states, "*The subject matter of a liability insurance contract is the civil liability of the insured towards the third party under the regulatory provisions of law.*" Article 58 Responsibilities of insurers and non-life insurers' branches, Article 59 Limit of liability, and Article 60 Rights of representation for insured persons.

Hoai (2023) avers that mandatory insurance protects the public interest. Professional liability insurance is a form of insurance that covers risks that might arise from negligence, errors, or omissions of professionals. Further, according to Hoai (2023), one law does not contain the regulations and requirements for professional liability insurance in Vietnam. On the contrary, they are spread across several laws, such as the law on Lawyers, the law on Medical Practice, The Law on Independent Auditors, The Securities Law, etc. In addition, there is a shortcoming in the laws in that they do not specify the legal minimum liability coverage a firm or an individual should buy. Because of this lacuna, firms purchase the maximum possible coverage, usually equivalent to their average annual revenue.

Article 40 of the Vietnam Law on Lawyers No. 65/2006/QH11 of 25th January 2001 on the obligations of a law-practicing organization states: Clause 5 "*To pay compensation for damage caused by its lawyers to its clients in legal consultancy provision, in representation beyond legal proceedings or in the provision of other legal services*"; Clause 6 "*to purchase professional liability insurance for its lawyers by the insurance business law.*" Vietnam Law Amending and Supplementing a number of Articles of the Law on Lawyers Law in Article 40 on the obligations of law-practicing organizations also maintained in Clause 5 "*Paying compensation for the damage caused to clients by their lawyers*"; Clause 6 "*Buy professional liability insurance for their lawyer as prescribed by the laws on insurance.*" The Law on Lawyers of 2001 and the amended Law on Lawyers stipulate that law firms are obligated to compensate clients for damages and must buy their lawyers' professional liability insurance per the insurance business law. However, the wording in Article 40, Clause 5 has been simplified from the previous wordy version to the simplified "*Paying compensation for the damage caused to clients by their lawyers*" in Law on Lawyers Law.

Vietnam Law on Medical Examination and Treatment Law No. 15/2023/QH15 of 9th January 2023, Article 102 on Compensation for Medical Accidents states that "*if a medical accident is inflicted upon a patient, the medical establishment shall compensate patients under laws, except as defined in Clause 2 of Article 100 herein.*"



Article 100, Clause 2 stipulates the instances in which a medical practitioner shall not be held liable for medical accidents.³ Article 103 on professional liability insurance requires medical service providers to take out professional liability insurance. Clause 1 defines professional Liability insurance and its scope according to the Vietnam Law on Medical Examination and Treatment.

This Clause shows that the government of Vietnam recognizes, just like many other governments globally, that medical accidents may occur, leading to financially crippling lawsuits for both medical professionals and medical institutions. Also, the government has recognized that such lawsuits could lead to courts granting huge monetary awards that the defendant could not settle, leaving the plaintiff no better off. Also, medical accidents could lead to life-changing injuries that would require large sums of money to rectify or lifelong medical care that would be very costly. In a bid to cushion medical professionals, medical service providers, and patients in the event of such an unforeseen medical eventuality, the government of Vietnam has legislated the need for medical professional liability insurance.

The responsibility of insurance companies is set out in Clause 2. Insurance companies that cover the medical institution and/or the medical professional required to indemnify a patient for medical injuries following a successful medical malpractice lawsuit are the ones to indemnify the plaintiff. In such a scenario, neither the medical institution nor the medical professional has to bear the heavy cost of indemnifying the plaintiff. The government has retained the role of giving further guidelines in medical malpractice liability insurance Clause 4, and it is the entity to elaborate Article 103 further as stipulated in Clause 4 of the same article.

Vietnam Law on Independent Audit Law No. 67/2011/QH12 of 29th March 2011 requires auditing firms to purchase professional liability insurance to protect themselves if they must compensate their clients for any damages incurred. In case of

³ Vietnam Law on Medical Examination and Treatment Law No. 15/2023/QH15 of 9th January 2023 Article 100, Clause 2. A medical practitioner shall not be blamed for medical errors when the Expert Panel defined in Article 101 herein establishes that he/she falls into the following cases:

- a) In the course of healthcare, despite the fact that he/she has fulfilled his/her duty of patient care or treatment and complied with regulations on professional and technical expertise in healthcare, a medical accident is inflicted upon his/her patient;
- b) Any medical accident is inflicted upon his/her patient when he/she performs emergency care procedures under the insurmountable circumstances involving shortages in medical equipment, devices, medications or medical practitioners that cannot be remediated; when he/she has to cure any disease without professional and technical instructions in healthcare;
- c) Any force majeure event, objective obstacle or other objective condition occurs, leading to a medical accident happening to his/her patient;
- d) Any medical accident occurs as a result of the patient's deliberate act



claims for damages by aggrieved clients, the Law on Independent Audit Law stipulates auditing firms, branches of foreign auditing firms in Vietnam have to Article 29, Clause 4 *"pay compensation for damage to the clients, the audited units based on the audit contracts and under the provisions of law."* Therefore, Vietnamese auditing firms and foreign auditing firms are obligated to compensate their clients for any damages they incur as a result of the actions of the audit firms. To achieve this, the law further states in Article 29, Clause 5, *"To purchase professional liability insurance for practicing auditors or to set up professional risk reserve fund in accordance with provisions of the Ministry of Finance."* Therefore, it is evident that Law on Independent Audit Law has envisaged an unfortunate occurrence where audit firms have to compensate their clients for damages incurred as a result of the actions or inaction of audit firms. That is why audit firms are required to purchase professional liability insurance or set up a reserve fund to indemnify the aggrieved client in case of such an occurrence.

Dai (2025) notes that Vietnam has passed a new law that makes professional liability insurance mandatory for public notaries by July 1, 2025. The Vietnam Law on Notarization Law No. 46/2024/QH15 of 26th November 2024 stipulates in Article 39 Clause 1 purchasing professional liability insurance for public notaries is not mandatory. The same is evident in Clause 2, which has made notarial practice organizations mandatory to purchase professional liability insurance for their employees. In this case, the onus to purchase professional liability insurance rests on the employer (notary organization) and not the employee (notary). Also, the Clause states that notary organizations must maintain valid professional liability insurance throughout their operation period. Further, the Clause requires notaries to furnish the justice department with information regarding their status of purchasing professional liability insurance.

Within 10 working days from the date of insurance purchase or the date of modification or extension of contracts on professional liability insurance for notaries, a notarial practice organization shall notify the Justice Department and send copies of these contracts or the modified or extended contracts to the Justice Department.

Through its Justice Department, the government of Vietnam will exercise oversight to ensure that all notarial practices maintain valid professional liability insurance. This ensures that no rogue notarial practices disregard the law. Also, in Clause 3, it is stipulated that the government will maintain a regulatory role regarding insurance premiums to be paid and the sum assured.



2.3. INSURANCE CONSUMER PROTECTION IN VIETNAM

According to Tran and Treutler (2023), Vietnam passed the Law on Protection of Consumer Rights No. 19/2023/QH15 of 2023, which the National Assembly promulgated on 20th June 2023. The Law came into force on 1st July 2024. Vietnam Law on Protection of Consumer Rights elaborates on protecting consumer rights in various contracts, including professional liability insurance contracts. Article 23 on Contracts signed with consumers, standard forms contracts, and general trading contracts stipulates in Clause 1 that contracts signed shall comply with civil law regulations and other regulations. For a contract to be deemed valid, it must be drawn consistently with the prevailing legislation. If the said contract violates the existing laws, then it shall be deemed null and void.

Clause 2, the language used in forms and contracts must be clear and coherent. Clause 2 further stipulates that the official language for standard-form contracts is Vietnamese. The parties involved may agree to use a Vietnamese ethnic minority or a foreign language. In case of a discrepancy between the Vietnamese version and the ethnic minority or foreign language version, then the version in a language favourable to the consumer shall prevail. This Clause is crucial because contracts are legally binding. In this situation, the law has protected consumers entering into professional liability insurance contracts by ensuring they comprehend the scope of their coverage. With this safeguard, clients entering into professional liability insurance contracts are, to a great extent, protected from confusing legal jargon that could easily put them at a disadvantage against the insurer.

Law on Protection of Consumers' Rights has also protected consumers regarding the interpretation of contracts signed with consumers, standard form contracts, and general trading conditions in Article 24. In this case, the consumer includes consumers taking out professional liability insurance coverage. Article 24 reads, *"If the contents of a contract signed with a consumer, standard form contract, or general trading conditions are interpreted in different ways, the interpretation shall be made in a manner favoring the consumer."* This article ensures that goods and service providers do not draw ambiguous contracts to take advantage of their clients later. This is a crucial aspect of consumer protection that fits well with professional liability insurance. A rogue insurance company could easily sneak in ambiguous Clauses in the policy documents and use them to decline to indemnify beneficiaries.



Law on the Protection of Consumers' Rights has sealed that loophole by stating that the interpretation favoring the consumer shall prevail in an ambiguous contract interpretation.

Law on Protection of Consumers' Rights in Article 25 deals with Prohibited Clauses specified in contracts signed with consumers, standard form contracts, and general trading conditions. Article 25: *"A trader must not specify the following Clauses in contracts signed with consumers, standard form contracts, and general trading conditions."*

Clause 1: Professional liability insurance providers cannot limit their scope of responsibility as described in law. The law recognizes that some rogue insurance companies could even try to limit their indemnification procedurally without following the law. However, Clause 1 prohibited limiting liability unless there are other relevant laws to that effect.

Regarding dispute resolution, where the insured is the aggrieved party. The law has also protected consumers from contracts that limit their right to launch complaints. Clause 2, Article 25 of Law on the Protection of Consumers' Rights, professional liability insurance holders can launch action against their insurer if they are aggrieved. An insurer cannot have a contract Clause prohibiting the insured from seeking redress in a court of law if they are aggrieved.

Also, in Clause 3, consumers are protected from businesses or service providers drawing contracts with Clauses allowing them to unilaterally change the terms of the contract. This Clause ensures that once an individual or entity takes out a professional liability insurance policy, the insurer cannot change the policy terms midway through. This ascertains that the insurer indemnifies the aggrieved party in case of an unforeseen unfortunate eventuality as per the insurance policy document.

Also, the Vietnamese consumer protection law anticipates a situation where some traders might insert contract Clauses to change the terms without involving the contract. Hence, this possibility has been proscribed in Clause 4, Article 25 this Law. It can, therefore, be inferred that Professional liability insurance providers are prohibited from having contract Clauses that permit them to change the policy terms without providing a right for the insured to terminate the contract. This means once the insured has taken out professional liability insurance, they are protected from such practices, and they can terminate the contract if the insurer changes the trading conditions. Clause 5, Article 25 protects consumers who take out professional liability



insurance policies from insurers who might attempt to punish them unfairly. If the insurer feels that the insured has failed to discharge any expected liabilities, it cannot do so unilaterally without involving the insured. This fosters an environment of trust and equity. While Clause 6 could be applied to argue that parties taking out insurance are protected from insurance companies that could attempt to change the terms or amount of indemnification when needed. With this safeguard, no insurance service provider can include a Clause in the contract giving them leeway to change the payout amount, claiming that the sum is too large.

It is also essential to protect consumers from businesses that might change prices before the lapse of the contract period, and this has been handled in Clause 7. This stipulation is crucial for individuals and entities that take out professional liability insurance because it prevents insurance companies from arbitrarily increasing premiums. The Clause created a condition that can be rightly interpreted: if an insurance service provider were to increase their premium, they must give the insured an opportunity to terminate the contract.

There are cases where there is ambiguity in the interpretation of contract terms as handled in Clause 8. In such a scenario where business organizations are allowed to make their interpretations, the ultimate loser would be the consumer because the said business organizations would ultimately make decisions in their favour. Therefore, the law has afforded consumers and, in this case, the insured who take out professional liability insurance protection from such an eventuality.

Further, businesses cannot sideline third-party service providers or businesses that sell goods as third parties as stipulated in Clause 9. This form of protection is also necessary in the case of professional liability insurance. Many insurers engage the services of insurance brokers to onboard many clients. Therefore, without this regulation, an insurance company could easily decline to indemnify the insured, arguing that a third party sold the insurance policy. Consumers are also protected in Clause 9 from contracts requiring them to discharge their liabilities when the responsible business fails to do so. This is a way of consumer protection that ascertains that the insured does not at any time have to shoulder a liability they have insured. Therefore, professional liability insurance companies cannot have a Clause in the contract transferring liabilities to the insured when they cannot indemnify. Also, according to Clause 11, businesses cannot transfer their liabilities to third parties without obtaining consent from the contracted consumers. Regarding professional



liability insurance, this Clause ascertains that if the insurer intends to transfer their liabilities to a third party, the insured is informed before the transfer. Armed with such information, the insured can make an informed decision whether to continue working with the third party to whom the liabilities are transferred or terminate the contract and seek a different insurer.

In Clause 12, the law has ensured that consumers are protected from including Clauses that stipulate penalties that might disadvantage them following the breach or termination of a contract. This means if there is a breach or termination of contract, the consumer (in this case, the professional liability insurance policy holder) will be treated fairly and within the confines of the law.

Professional liability insurance providers are not allowed to extend contracts that are in force without the insured's consent, as this would go against Article 25, Clause 13 of Law on the Protection of Consumers' Rights. Therefore, they cannot extend the cover period without consulting the insured and obtaining their consent. Such a decision could easily catch the insured flat-footed and incapable of paying their insurance premium, leading to a breach of contract.

In a fast-evolving globalized world, personal and consumer data are invaluable, and many criminal enterprises invest in data mining and selling. Article 25, Clause 14 of Law on the Protection of Consumers' Rights protects consumers from illegal collecting and storing of consumer data. Therefore, in this vein, no professional liability insurance provider can insert a Clause in their contract requiring the insured to allow the collection and storage of their data as a precondition for professional liability insurance cover.

2.4. PROFESSIONAL LIABILITY INSURANCE: CONSUMER PROTECTION IN THE CONTEXT OF THE UNITED NATIONS GUIDELINES FOR CONSUMER PROTECTION

The United Nations Guidelines for Consumer Protection were adopted for the first time by the General Assembly in resolution 39/248 of 16 April 1985. Later, the Economic and Social Council expanded them in resolution 1999/7 of 26 July 1999, and they were subsequently revised and adopted by the General Assembly in resolution 70/186 of 22 December 2015.

The United Nations Guidelines for Consumer Protection are valuable principles



that set out the main characteristics of effective consumer protection legislation, enforcement institutions, and redress systems. Furthermore, the Guidelines assist interested Member States in formulating and enforcing domestic and regional laws, rules and regulations that are suitable to their economic, social and environmental circumstances; they also help promote international enforcement cooperation among Member States and encourage the sharing of experiences in consumer protection (UNCTAD, 2016, p.3).

The United Nations guidelines for consumer protection were adopted with the following objectives:

- (a) To assist countries in achieving or maintaining adequate protection for their population as consumers;
- (b) To facilitate production and distribution patterns responsive to the needs and desires of consumers;
- (c) To encourage high levels of ethical conduct for those engaged in the production and distribution of goods and services to consumers;
- (d) To assist countries in curbing abusive business practices by all enterprises at the national and international levels which adversely affect consumers;
- (e) To facilitate the development of independent consumer groups;
- (f) To further international cooperation in the field of consumer protection
- (g) To encourage the development of market conditions which provide consumers with greater choice at lower prices;
- (h) To promote sustainable consumption (UNCTAD, 2016, p.6).

The United Nations recognized the need to protect consumers and then developed consumer protection. In the case of professional liability insurance, the most relevant objectives are: (a) Application of this objective will ensure that the insured are accorded sufficient protection once they take out professional liability insurance; (c) By encouraging and maintaining ethical conduct among the insurance service providers, member countries will ensure the insured are protected from unscrupulous insurance companies; (d) This will ensure that all individuals and entities that take out professional liability insurance are protected from abusive business practices by the insurer. This works in protecting the insured and bolstering consumer confidence in the insurance industry; (g) Developing market conditions that afford consumers more



choices and lower prices means that creating a conducive business environment for insurance companies will increase the insurance industry players. Increasing the number of companies offering insurance services will lead to healthy competition and availability of insurance coverage at a competitive cost.

The United Nations Guidelines for Consumer Protection policies signatory countries are encouraged to pass, including laws, regulations, rules, frameworks, procedures, decisions, mechanisms, and programs guiding state-owned enterprises and the private sector on practices that ensure the protection of consumer rights, interests and promote consumer welfare (UNCTAD, 2016, p. 6-7).

Section III on general principles Article 8 requires member states to develop and maintain a robust mechanism for monitoring the implementation of consumer protection policies. Member states must deploy measures to ensure the implementation of consumer protection policies to benefit all members of their population, emphasising the rural population and people living in poverty (UNCTAD, 2016, p. 8). In this regard, concerning the insurance sector, member states are expected to ensure that all insurance companies operating within their territories observe the regulatory framework in their country that is developed in line with this policy. Observing the regulatory frameworks means that the said companies operate within the confines of the laws, and the insured, including those who take out professional liability insurance, are protected by law.

Article 9 of the United Nations Guidelines for Consumer Protection requires all business enterprises to observe all the relevant laws and regulations in the countries they operate. *"They should also conform to the appropriate provisions of international standards for consumer protection to which the competent authorities of the country in question have agreed"* (UNCTAD, 2016, p.8).

Section IV of the United Nations Guidelines for Consumer Protection deals with the Principles for good business practices. In Article 11, the guidelines cover principles that establish benchmarks for good business practices while conducting online and offline business activities (UNCTAD, 2016, p.9-10).

(a) Fair and equitable treatment- this Clause calls upon all business enterprises to deal with consumers fairly and honestly in every step of their interaction. All businesses are required to shun any unfair practices that would harm their customers. This principle applies well to the insured when they take professional liability insurance



because insurance requires trust. The insured is at peace knowing that the insurance company bears the liability in case of lawsuits and indemnifies the affected third party.

(b) Commercial behaviour- *Businesses should not subject consumers to illegal, unethical, discriminatory, or deceptive practices, such as abusive marketing tactics, abusive debt collection, or other improper behaviour that may pose unnecessary risks or harm consumers.* Businesses and their authorized agents should consider consumer interests and have consumer protection at the core of their operations. In their operations, in observance of this principle, professional liability insurance providers should ensure that they do not engage in any practices that contravene this Clause.

(c) Disclosure and transparency- *Businesses should provide complete, accurate, and non-misleading information regarding the goods and services, terms, conditions, applicable fees, and final costs to enable consumers to make informed decisions. Businesses should ensure easy access to this information, especially to the key terms and conditions, regardless of the means of technology used.* Providing this information as required by the principles ensures that customers make informed decisions based on accurate information provided by the business. While taking out professional liability insurance, clients will be sure that there is full disclosure and that the insurer's contract has no hidden Clauses. This will guide the insured in determining whether the insurance policy offered covers all the requirements for their professional liability insurance.

(d) Education and awareness-raising- This principle calls upon businesses to take deliberate steps to create awareness among their customers about their businesses. Professional liability insurance providers should create awareness among the insured about the professional liability insurance industry, the risks involved, the risks covered, and their range of products. Informed clients make informed decisions that suit their business needs.

(e) Protection of privacy—Businesses should protect consumers' privacy through a combination of appropriate control, security, transparency, and consent mechanisms relating to the collection and use of their personal data. Protecting consumer personal data is crucial in a world where many criminals would abuse it. Professional liability insurance providers must ensure unauthorized people do not access customer personal data. In the wrong hands, customers' data could expose them to risks, including but not limited to identity theft and financial fraud.



(f) Consumer Complaints and disputes- Businesses must have accessible and expedited dispute and complaint handling channels or mechanisms. Consumers should be able to reach them easily and have their complaints and disputes handled expeditiously.

On National policies for consumer protection, the United Nations guidelines for Consumer Protection in Article 14 requires member states to develop consumer protection policies that encourage (a) Good business practices; (b) Clear and timely information to enable consumers to contact businesses easily, and to enable regulatory and law enforcement authorities to identify and locate them; (c) Clear and timely information regarding the goods or services offered Clear and timely information regarding the goods or services offered and the terms and conditions; (d) Clear, concise and easy to understand contract terms that are not unfair; (e) A transparent process for the confirmation, cancellation, return and refund of transactions; (f) Secure payment mechanisms; (g) Fair, affordable and speedy dispute resolution and redress; (h) Consumer privacy and data security; (i) Consumer and business education (UNCTAD, 2016; p.10-11)

2.5. PROFESSIONAL LIABILITY INSURANCE IN THE US

According to Insureon (2023), PLI protects businesses from lawsuits over unsatisfactory work. This insurance is also known as errors and omissions insurance (E&O) or malpractice insurance. In the US, some states require businesses to take out PLI, while some require professionals to have PLI to obtain practicing licenses. The professions that are often required to carry PLI are healthcare professionals, insurance professionals, real estate professionals, and lawyers. American College of Emergency Physicians (n.d.) notes that in America's litigious society, insurance is big business, with as much as \$300 billion being used for tort litigation costs in the US annually. For example, over \$24 billion is used for medical professional liability insurance annually.

The Office of Human Resource Management (n.d). of the US Department of Commerce, the president of the US signed "The Treasury, Postal Service, General Government Appropriations Bill for Fiscal Year 2000 on September 29, 1999, that requires *"agencies to use funds appropriated for salaries and expenses to pay an amount not to exceed one-half the costs for eligible employees who elect to purchase*



professional liability insurance." Also, all operating units must reimburse all qualified employees within their organizations not more than 50% of their professional liability insurance costs. Further, for equity in the provision's application, Department operating units are required to pay 50% of the cost (not exceeding \$150) annually. *"Covered employees include supervisors and management officials, as defined by the Civil Service Reform Act (5 U.S.C. 7103(a)) and any law enforcement officer covered under 5 U.S.C. 8331(20) or 8401(17), or under 22 U.S.C. 4823."* The employees covered under this definition are supervisors and management officials. These official are *"defined in Civil Service Reform Act (5 U.S.C. 7103(a)) and any law enforcement officer covered under 5 U.S.C. 8331(20) or 8401(17), or under 22 U.S.C. 4823"* (The Office of Human Resource Management. (n.d).

The Office of Human Resource Management of the US Department of Commerce has defined professional Liability Insurance as insurance that provides coverage for the legal liability for damages due to injuries to other persons, damage to their property, or other damage or loss to such persons (including the expenses of litigation and settlement) resulting from or arising out of any tortuous act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties as a qualified [eligible] employee; and "The cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual's official duties as a qualified [eligible] employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

With this insurance, (i) if a federal employee is sued in their individual capacity, they can request for Department of Justice representation provided their actions were within their job description and were carried out in the interest of the United States. Then, the laid down procedure is followed.

American College of Emergency Physicians (n.d.) notes that before the 1970s, medical malpractice insurance was provided through occurrence policies that covered long periods (sometimes over 20 years). The claim period remained open until the statute of limitations kicked in. This made insurance premiums expensive. Medical Malpractice awards are unpredictable in the US, and this led to the development of "claims made" insurance products. This product relies on data such as *"trends and*



projections in various markets and business lines" to determine the premium payable.

According to Weger (2021), for a significant period, many doctors in the US have been going without professional liability insurance. This led to the coining of the insurance term 'going bare', meaning that they had been practicing without professional liability or medical liability insurance. However, with progressive tort reforms witnessed in many states in the US, the number of doctors taking out professional liability insurance has increased because insurance has become more affordable with reduced premium costs. Interestingly, there is a section of US doctors who do not take out professional liability insurance because they believe they will be less of a target that way. In a very litigious jurisdiction like the US, these doctors believe that once lawyers realize they do not carry professional liability insurance, they will drop the case because of the low likelihood of 'winnable assets'. However, it should be noted that whether a doctor has PLI or not, lawyers are still legally capable of going after their assets or businesses. Hence, 'going bare' does not shield a doctor from being a target or paying a plaintiff or attorney.

Further, Weger (2021) categorically states that in the US, there is no federal law requiring doctors to have medical malpractice insurance. However, some states have legislation requiring doctors to have medical malpractice insurance.

Roughly 32 states require no medical malpractice insurance and have no minimum carrying requirements. The other 18 states are divided into two groups: states that require minimum levels of insurance and states that require medical professionals to have some insurance to qualify for liability reforms in their state (Weger, 2021). The states that do not require medical malpractice insurance are Alabama, Alaska, Arizona, Arkansas, California, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington and West Virginia. It is noteworthy that although these states do not require doctors to have medical malpractice insurance, some instances eventually force doctors to take out medical malpractice insurance. For example, some hospitals require visiting doctors to have malpractice insurance, and some insurance companies require doctors who participate in their coverage to have malpractice insurance.

Weger (2021) further gives some examples of states that do not require mandatory medical malpractice insurance, but the surrounding circumstances



eventually force doctors to take out malpractice insurance. Although these states do not have legislation requiring doctors to carry professional liability insurance, there are surrounding circumstances that compel doctors to take out PLI. California does not have a law requiring doctors to take out PLI, and it has also capped non-pecuniary damages awards at \$250,000. The catch is that the State of California has not capped the award for lost wages, meaning that California has not capped the award for lost wages, meaning there is no upper limit for lost wages. Therefore, some doctors opt to take out professional liability insurance to avoid bearing financially catastrophic awards.

In Florida, doctors are not legally required to take out professional liability insurance, but the regulations surrounding practicing without professional liability insurance compel them to do so. Weger (2021) says that before the 2003 reform, many doctors preferred 'to go bare' in Florida. The cost of purchasing insurance was high, but after the reform, insurance is presently much more affordable. However, if a doctor still chooses to go bare, there are stringent stipulations they must meet to practice legally in the state. Suppose a doctor opts to practice without PLI in Florida. In that case, they must post a bond, have an escrow account, get an irrevocable line of credit letter from a bank or other lending agency that cannot be used for legal fees, and post a sign in their offices to inform their patients that they do not carry malpractice insurance (Weger, 2021).

Hence, faced with these stringent regulations, then many doctors opt to take out PLI insurance in Florida. On the other hand, some US states require doctors to take out malpractice insurance. The States are Colorado, Connecticut, Kansas, Massachusetts, New Jersey, Rhode Island, and Wisconsin. The level of malpractice insurance varies in these states. For example, as Weger (2021) notes, In Colorado, non-pecuniary damages awards are capped at \$250,000 and "an aggregate payout of \$1 million." However, courts have a free hand to triple the amount if the plaintiff can prove that the doctor willfully continued to carry out the action that led to the legal action. Hence, a doctor is required to take out a minimum of \$1 million in medical malpractice insurance per incident and an aggregate limit of \$3 million.

There is no federal law in the US mandating lawyers to carry Lawyers' professional liability insurance. The only state in the US where lawyers must carry lawyers' professional liability insurance is the state of Oregon (American Bar Association, 2024); CRM News and Updates & Hill, 2022). However, the importance



of professional liability insurance for lawyers cannot be overemphasized. Lawyers' professional liability (LPL) insurance (legal malpractice insurance) protects lawyers and law firms from financially ruinous malpractice lawsuits and payouts. Suppose a client sues the law firm or lawyer for mistakes that occurred during representation. In that case, professional liability insurance will bear the cost of legal representation and any awards for damages that arise.

Lawyers must take out professional liability insurance for a single mistake in representation that could snowball into a monumental malpractice lawsuit, threatening not only the reputation of their law firm and themselves but also financial ruin in damages awards. CRM News and Updates & Hill (2022) posit, *"...defending a malpractice lawsuit can cost tens of thousands of dollars, and an unfavorable result could cost even more."* A good example of such a scenario is presented in the American Bar Association (2024), where a lawyer who did not have professional liability insurance faced a malpractice lawsuit. Lawyer Lawrence

It was about five years ago that attorney Lawrence Ferguson took on a lawyer malpractice case in Columbia, Mo. His client was filing suit against an attorney for costing the client a \$55,000 judgment and losing custody of her two children. During discovery, Ferguson found that the attorney did not carry malpractice insurance. A short time later, before Ferguson could pursue what he thought was a strong case, the other attorney filed for bankruptcy and was eventually disbarred (American Bar Association, 2024).

This incident underscores the importance of lawyers taking out professional liability insurance. The said lawyer, in this case faced a malpractice lawsuit that sounded the death knell to their legal career. Faced with a monumental malpractice, the lawyer opted to file for bankruptcy and was subsequently disbarred. Had the lawyer taken out professional liability insurance, maybe this sad turn of events would not have occurred.

The American Bar Association (2024) avers that the debate surrounding mandatory legal malpractice insurance has been going on since the 1970s. At the time, legal malpractice insurance premiums were very high, and Oregon had to make it mandatory for lawyers to take out professional liability insurance. To date, Oregon is the only state in the US where a lawyer's malpractice insurance is a requirement for a lawyer to practice. Later, a different concept emerged in the late 1990s, whereby instead of mandatory malpractice insurance, there was a push for mandatory



disclosure. According to the American Bar Association (2024), at the time, Alaska and South Dakota courts made it compulsory for lawyers to notify their clients up front whether they had malpractice insurance or not.

The States of Virginia and Delaware adopted a different approach from Alaska. In Virginia, lawyers are legally obligated to notify the Virginia State Bar whether or not they have malpractice insurance. Then, the bar can avail the information to the public upon request, either by phone or the internet. In Delaware, the same information is given by the state supreme court. The state supreme court can make the information public upon request. Later, in 2003, the courts in North Carolina and Nebraska adopted Virginia's approach to mandatory disclosure.

These two scenarios involving doctors and lawyers are a sufficient basis for comparison with the Vietnam situation. In Vietnam, all the laws cover the country uniformly, while the US follows the federal system of government. Although there is the Federal government and the US constitutions, states have their governments and constitutions. Therefore, unlike Vietnam, in the US, there is no federal law requiring mandatory professional liability insurance for doctors and lawyers. It has also been noted that the US is a highly litigious society with significant damages awarded for professional malpractice.

Another case scenario involving PLI is the case whereby it is mandatory for lawyers in Vietnam to carry professional liability insurance, Article 40 Clauses and 6 of the Vietnam Law on Lawyers Law No. 20/2012/QH13 of 20th November 2012. As noted earlier, no federal law requires the same in the US. However, there is a general push for lawyers who do not carry PLI to notify the client in advance if they do not have PLI. Although some states have adopted this concept, some quarters feel that this is too intrusive. However, the proponents of this concept feel it is essential for clients to make informed decisions

3 CHALLENGES IN THE IMPLEMENTATION AND APPLICATION OF PROFESSIONAL LIABILITY INSURANCE IN VIETNAM

3.1. PUBLIC AWARENESS AND UNDERSTANDING OF PROFESSIONAL LIABILITY INSURANCE



Lack of awareness and understanding of professional liability insurance among businesses and professionals. There is a need for a sustained education campaign among professionals and businesses about professional liability insurance. Businesses and professionals should be sensitized about the importance of professional liability insurance and the risk of operating without it.

3.2. COMPLEX APPLICATION PROCESSES AND BUREAUCRATIC PROCEDURES

The cumbersome and complicated procedures involved in registering, applying, and claiming insurance. Vietnam should create a seamless working process for professional liability insurance. If professionals and businesses find the process cumbersome, bureaucratic, and unnecessarily complicated, they will be discouraged from taking out professional liability insurance. Moreover, challenges faced during the claims process and delays in settlements discourage professionals and businesses from using professional liability insurance because insurers have no trust.

3.3. ISSUES WITH INSURANCE POLICIES AND PREMIUMS

The unequal distribution of premiums across different sectors leads to financial imbalances. Different sectors charge varying premiums because the Law on Insurance has not stipulated the maximum premiums chargeable for professional liability insurance. Inflexible insurance policies that do not adequately account for the unique risks associated with different professions are also an impediment to the uptake of professional liability insurance in Vietnam. Insurance companies should tailor-make products to cater to various professions without adopting a one-size-fits-all approach.

3.4. LEGAL AND REGULATORY OVERSIGHT CHALLENGES

Challenges in monitoring and enforcing compliance with PLI regulations. It has been noted that there is a deficiency in the proper mechanism for enforcing compliance with PLI regulations. Many laws across different sectors require professionals and businesses to take out PLI, but the uptake is minimal. Moreover, there is a Lack of clarity in some regulatory provisions and implementation guidelines. The lack of clarity creates an environment of confusion that affects professionals' and businesses'



subscriptions to PLI. Further, there are no specific laws establishing a government agency to implement the mandatory requirement for professional liability insurance in the legally mandated sectors. Therefore, the laws exist on paper, but there is a gap in the enforcement aspect.

4 SOLUTIONS TO IMPROVE AND PERFECT THE LEGAL FRAMEWORK FOR PROFESSIONAL LIABILITY INSURANCE IN VIETNAM

4.1. REGULATIONS ON ENTITIES AND INDIVIDUALS REQUIRING COMPULSORY PROFESSIONAL LIABILITY INSURANCE TO BE CONTAINED IN ONE LAW

Vietnam regulations requiring professional liability insurance are spread across many laws. For example, Article 40, Clauses 5 and 6 of the Vietnam Law Amending and Supplementing a number of Articles of the Law on Lawyers Law No. 20/2012/QH13 of 20th November 2012; Articles 102 and 103 of Vietnam Law on Medical Examination and Treatment Law No.15/2023/QH15 of 9th January 2023; Article 29, Clause 4 and 5 of Vietnam Law on Independent Audit Law No. 67/2011/QH12 of 29th March 2011; Article 39, Clauses 1, 2 and 3 Vietnam Law on Notarization Law No. 46/2024/QH15 of 26th November 2024. This leaves the regulations scattered in many laws. Vietnam should move to consolidate the professions and businesses that require compulsory professional liability insurance into one document. This, in effect, would mean it would be easy to locate the necessary information.

4.2. PUBLISHING LEVEL OF COVERAGE, INSURANCE PREMIUMS, AND MINIMUM AMOUNTS REQUIRED FOR COMPULSORY INSURANCE

Law on Insurance Business in Article 8, Clause 5 has stipulated the role of the government in establishing "the level of coverage, insurance premiums and minimum amounts required for compulsory insurance" in accordance with Clause 2 of the same article. However, as of to-date, there are no established policies on the level of coverage, insurance premiums, and the minimum amounts required for compulsory insurance under which professional liability insurance falls. Therefore, the government



of Vietnam should move speedily to publish the regulation that will aid in regularizing the country's insurance sector in this regard.

The position that the government will determine *"the level of coverage, insurance premiums, and minimum amounts required for compulsory insurance"* is also evident in Article 104, Clause 4 of the Vietnam Law on Medical Examination and Treatment Law *"the Government shall elaborate on this Article."* Read with the other Clauses, it means the government has retained the role of specifying the accompanying regulatory framework on premiums. Another example is Clause 3, Article 39 of the Vietnam Law on Notarization Law which has also stipulated that the government shall maintain a regulatory role on insurance, premiums to be paid and sum assured through its oversight department. In all these instances, the government has retained the power of oversight. Further, as noted in Hoai (2023), there is a challenge in the professional liability insurance sector because the laws do not specify the minimum liability coverage a firm or an individual should take out. As a result, firms purchase the maximum possible coverage, usually equivalent to their annual average. It is recommended that Vietnam establishes the minimum liability coverage to create uniformity in the professional liability insurance sector.

4.3 IMPROVING THE LEGAL FRAMEWORK AND STRENGTHENING REGULATORY OVERSIGHT

Reading through the Vietnam Civil Code, on Insurance Business, Vietnam Law Amending and Supplementing a number of Articles of the Law on Lawyers Law, Vietnam Law on Medical Examination and Treatment Law, Vietnam Law on Independent Audit Law, Vietnam Law on Notarization Law reveals that none of the law stipulates whether there will be an agency charged with ensuring that all the legally required individuals or agencies take out professional liability insurance. Also, the Vietnam civil code and the cited laws do not mention the existence or creation of an agency to monitor the implementation of the requirement to take out professional liability insurance. Therefore, Vietnam needs to develop a regulatory framework to ensure that the mandatory requirement for some businesses and individuals to take out professional liability insurance is implemented.

4.4. INCREASING PUBLIC AWARENESS AND EDUCATION



Vietnam should develop training programs, workshops, and seminars to raise awareness about the importance of PLI among professionals and businesses. Increased public awareness about the benefits of professional liability insurance would lead to increased uptake of the cover in Vietnam. One of the ways of attaining this educational goal is by launching public communication campaigns, e.g., using social media and the internet, radio, television, and newspapers to explain the benefits and roles of PLI. An informed citizenry will be placed in place to make decisions about carrying PLI. Many professionals might feel that there is no pressing need for them to have PLI. However, they could change this approach by sensitizing them about the risks surrounding malpractice lawsuits.

4.5. STREAMLINING APPLICATION PROCEDURES AND IMPROVING SERVICE QUALITY

Vietnam should amplify and expedite the process of purchasing professional liability insurance, making it more accessible to professionals and businesses. The current complex bureaucratic process discourages professionals and businesses from taking professional liability insurance.

Vietnam should also develop technological platforms to enhance the efficiency of insurance transactions and claim handling. If professionals and businesses find the process too complex and inefficient, they would be discouraged from even initiating it in the first place. Also, Vietnam can benchmark with countries with a seamless process to copy best business practices. Learning from jurisdictions that are doing well and adopting their best practices to fit the Vietnamese situation will go a long way in encouraging professionals and businesses to take professional liability insurance.

5 CONCLUSION

The article has established that Vietnam's primary law covering professional liability insurance is Vietnam Law. The law has stated that entities that require compulsory insurance are obliged to have the insurance. Also, the government reserves the role of passing regulations that govern premiums, the minimum amount of coverage, etc.



Also, some professions and businesses in Vietnam must legally have professional liability insurance. Such professions include law, medicine, auditing, etc. However, no single law deals with the professions that require mandatory insurance. The stipulations for mandatory insurance are spread across profession-specific laws in Vietnam.

Vietnam should consider passing one law listing all the professions that require mandatory professional insurance.

In cases where the law has mandated mandatory professional liability insurance, it has been noted that Vietnam lacks a proper mechanism for implementing the law and ensuring the policy is followed. Vietnam should have a mechanism for ensuring the laws requiring professional liability insurance are followed.

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