

# The Mediating Role of Life Insurance in Enhancing Personal Financial Management Effectiveness: A Case Study in Vietnam

Bui Thi Minh Tiep<sup>1</sup>, Nguyen Thi Thu Trang<sup>2</sup>

<sup>1</sup>Hai Phong University, Vietnam  
<sup>2</sup>171, Phan Dang Luu, Kien An, Hai Phong, Vietnam

Corresponding Author: Bui Thi Minh Tiep

DOI: <https://doi.org/10.52403/ijrr.20260547>

## ABSTRACT

This study examines the mediating role of life insurance in enhancing the effectiveness of personal financial management. The study employs a qualitative research approach based on literature review, combined with empirical findings derived from secondary data in Vietnam. Based on the theoretical review and qualitative analysis, this study focuses on examining the relationship between life insurance and personal financial management.

Key findings are:

- (i) Life insurance acts as an intermediary mechanism that transforms income, financial awareness, and risk conditions into more stable and sustainable financial outcomes. This role is reflected in four dimensions: risk resilience, financial stability, financial discipline, and the achievement of long-term financial goals.
- (ii) In Vietnam, life insurance has contributed positively to household financial stability and long-term accumulation. However, its effectiveness remains constrained by low insurance penetration, limited financial literacy, uneven service quality, and declining public trust in the insurance market.
- (iii) The study proposes several policy implications to develop the life insurance market and enhance the effectiveness of

personal financial management in Vietnam. The findings contribute to extending the perspective of life insurance from a risk management tool to a mechanism that supports financial well-being and sustainable financial outcomes.

**Keywords:** *Life insurance, personal financial management, financial effectiveness, financial well-being, risk management.*

## 1. INTRODUCTION

Amid increasing financial uncertainty and economic instability, personal financial management has become an essential capability for maintaining long-term financial security and sustainability. Nevertheless, higher income levels and greater financial literacy do not necessarily translate into effective financial management outcomes. Many individuals continue to experience insufficient savings accumulation, vulnerability to financial shocks, and weak long-term financial discipline. In this context, life insurance is widely recognized as an effective instrument for personal financial risk management and is increasingly regarded as an integral component of the personal financial system. In Vietnam, although the life insurance market has expanded considerably in recent years, the participation rate remains relatively low, accounting for only

approximately 11.7% of the population, significantly below the levels observed in developed economies [17]. Previous studies have examined the relationship between life insurance and personal finance; however, most have primarily focused on insurance participation behavior, insurance demand, or broader risk management issues. Limited attention has been paid to the role of life insurance as an intermediary mechanism that enhances the effectiveness of personal financial management.

Accordingly, this study adopts a qualitative research approach by combining theoretical review with an analysis of the Vietnamese context to clarify the mediating role of life insurance. In doing so, the study aims to contribute to both theoretical and practical discussions in the field of personal finance.

## 2. LITERATURE REVIEW AND RESEARCH METHODS

### 2.1. Literature Review

Studies on life insurance and personal finance have generally evolved along three major streams: (i) determinants of insurance demand, (ii) the role of insurance in risk management, and (iii) the relationship between financial literacy and financial behavior.

First, research on life insurance demand has primarily focused on economic and demographic determinants. Beck and Webb (2003) [3] found that income, inflation, financial development, and institutional factors significantly influence life insurance consumption at the national level. Similarly, Browne and Kim (1993) [4] demonstrated that income and demographic structure are important determinants of insurance demand. These studies largely treat insurance as a dependent variable, reflecting the outcome of socio-economic conditions, rather than as a financial instrument that may influence personal financial outcomes.

Second, within economic theory, insurance is widely regarded as a risk management instrument under conditions of uncertainty. According to Arrow (1963) [2], insurance enables individuals to transfer risk in order to

maximize expected utility. Building upon this theoretical foundation, numerous empirical studies have examined insurance as a mechanism for mitigating the effects of income and consumption shocks. Dercon (2002) [14] emphasized the role of financial instruments in reducing household vulnerability to risk. Nevertheless, these studies mainly focus on the protective function of insurance and pay limited attention to broader dimensions such as financial discipline or the achievement of long-term financial goals.

Third, in the field of personal finance and financial behavior, extensive research has highlighted the importance of financial literacy in improving financial behavior. Lusardi and Mitchell (2014) [11] found that financial literacy is positively associated with behaviors such as saving, retirement planning, and participation in financial markets. Likewise, Xiao (2016) [24] argued that financial capability influences financial satisfaction through financial management behavior. However, these studies generally assume a direct relationship between financial awareness and financial behavior or outcomes, without adequately considering the mediating role of specific financial instruments.

### ✚ Research Gap

Although prior studies have identified the determinants of life insurance demand, limited attention has been given to examining insurance as a factor influencing personal financial outcomes [9]. At the same time, research on personal finance has largely approached the relationship between financial literacy and financial outcomes from a direct perspective, while overlooking the role of intermediary mechanisms [11; 24]. In addition, empirical evidence from developing economies, particularly Vietnam, remains limited. Consequently, the mediating role of life insurance in enhancing the effectiveness of personal financial management has not yet been systematically clarified.

## 2.2. Research Methods

To achieve the research objectives, this study employs a qualitative approach by synthesizing and analyzing both domestic and international literature, along with descriptive statistical analysis based on secondary data on life insurance collected from sources such as the Ministry of Finance and the Insurance Association of Vietnam.

## 3. THEORETICAL FRAMEWORK

To explain the relationship between perception, behavior, and personal financial outcomes under conditions of uncertainty, several prominent theories have been developed, including the Theory of Planned Behavior [1], Life Cycle Hypothesis [16], Expected Utility Theory [2], and Behavioral Finance [16]. These theories suggest that financial literacy and income do not always translate into effective financial behavior or long-term wealth accumulation due to the influence of risks and behavioral factors such as lack of self-control and short-term orientation. In addition, financial risks may disrupt personal financial plans in the absence of appropriate protection mechanisms. In this context, life insurance is considered an intermediary financial tool that supports risk management, financial stability, and long-term accumulation.

### 3.1. Life insurance and the effectiveness of personal financial management

**Life insurance** is considered a financial instrument designed to protect individuals and households against risks related to death, disability, or loss of working capacity through a risk transfer mechanism between policyholders and insurance companies. Life insurance is regarded as an important component of personal financial management, helping individuals maintain financial stability and protect long-term income [21]. In addition to its protective function, life insurance is also viewed as a savings and financial accumulation tool for long-term objectives such as education, retirement, and investment.

In terms of characteristics, life insurance is long-term in nature and operates through periodic premium payments and benefit payments when insured events occur or when the policy matures. This mechanism not only helps mitigate the impact of financial shocks but also promotes financial discipline through regular payment commitments. Participation in life insurance is associated with long-term financial planning, financial literacy, and individuals' self-control abilities [20].

Common types of life insurance currently include term life insurance, whole life insurance, endowment insurance, and investment-linked insurance. Each type is designed to meet different financial needs such as income protection, wealth accumulation, or long-term investment. Among them, investment-linked insurance combines protection and financial investment functions, allowing policyholders to obtain insurance coverage while also having opportunities to increase asset value.

**Personal financial management** refers to the process of planning, organizing, and controlling financial resources in order to achieve both short-term and long-term financial objectives. This process includes activities such as income management, expenditure control, saving, investment, and risk management. The effectiveness of personal financial management is reflected not only in financial behavior but also in the financial outcomes achieved.

Recent studies frequently approach the effectiveness of personal financial management through the concept of financial well-being, which reflects individuals' financial stability, sense of financial control, and ability to achieve financial goals [24]. International measurement frameworks further emphasize that financial effectiveness should be evaluated from a multidimensional perspective, including income, assets, risk resilience, and long-term financial stability [18].

In addition, personal financial effectiveness is influenced by behavioral factors such as

financial discipline and spending control [11]. Accordingly, the effectiveness of personal financial management can be reflected through four key dimensions: (i) the ability to achieve financial goals, (ii) financial stability, (iii) resilience to financial risk, and (iv) financial discipline.

Within this context, life insurance maintains a close relationship with personal financial management through its role as an intermediary mechanism. Specifically, life insurance transforms income into long-term accumulation through periodic premium payments, reduces the adverse effects of risk on assets and consumption, and supports the maintenance of financial discipline and long-term financial goals. Nevertheless, existing studies remain limited in systematically examining this mediating role, particularly in the context of developing economies.

### ***3.2. The mediating role of life insurance in personal financial management effectiveness***

Life insurance serves not only as a risk management instrument but also as an intermediary mechanism that transforms key inputs of personal finance, including income, financial awareness, and risk exposure, into more stable and sustainable financial outcomes. Saving motives and financial literacy have a positive influence on the demand for life insurance, indicating that life insurance is considered a tool for supporting financial planning and enhancing personal financial security [12]. This mediating role is reflected through its contribution to several core dimensions of effective personal financial management.

#### **✚ Enhancing risk resilience**

One of the fundamental functions of insurance is the transfer of risk from individuals to insurance providers, thereby reducing financial losses arising from adverse events. In particular, life insurance protects against the loss of human capital, which represents the “engine” generating future expected income [10]. According to Arrow (1963) [2], insurance enables

individuals to maximize expected utility under uncertainty by reducing fluctuations in income and consumption. Empirical evidence further suggests that access to insurance instruments enhances household resilience to financial shocks, particularly in the context of increasing health and income-related risks [14]. The integration of supplementary riders, such as critical illness coverage, accidental death benefits, or premium waiver provisions, establishes a more comprehensive financial safety net [7]. These mechanisms help prevent long-term financial plans from being disrupted by rising medical expenses and health-related risks. Therefore, life insurance plays an intermediary role in maintaining the continuity of personal financial planning under uncertain conditions.

#### **✚ Strengthening financial stability and liquidity**

Life insurance contributes to financial stability by reducing interruptions in household cash flow. In the absence of insurance protection, financial shocks often force individuals to rely on precautionary savings or debt financing, thereby weakening long-term financial capacity. In contrast, insurance benefit payments partially compensate for lost income and help maintain stable consumption over time, consistent with theories of consumption smoothing under uncertainty.

As an asset class, life insurance also enhances portfolio stability due to its relatively low correlation with stock and bond markets during periods of financial crisis [10]. Furthermore, life insurance provides immediate liquidity to settle major liabilities, such as mortgages, credit card debt, or student loans, following the death of a primary income earner. This mechanism helps preserve household assets and prevents the forced liquidation of assets under unfavorable market conditions. Consequently, life insurance plays an important role in strengthening the stability of personal financial systems.

### **Promoting financial discipline**

Beyond its protective function, life insurance can influence financial behavior through long-term commitment mechanisms. Periodic premium payments create a fixed financial obligation that encourages disciplined saving habits and discourages excessive short-term consumption. Individuals may proactively allocate savings for premium payments through automatic salary deductions or scheduled bank transfers.

Life insurance contributes to maintaining financial discipline, minimizing the impact of risks on assets, and supporting individuals in achieving financial goals throughout their life cycle [16]. From the perspective of behavioral finance, personal financial decisions are often influenced by psychological factors such as herd behavior, short-term orientation, and inconsistency in financial behavior. In this context, life insurance can help reduce the effects of short-term financial behavior through long-term financial commitment and periodic accumulation mechanisms. In particular, long-term life insurance products with cash value accumulation or surrender value features enable individuals to maintain long-term financial plans and enhance financial stability over time. Binding financial mechanisms such as insurance contracts may therefore enhance self-control and financial discipline [22]. As a result, life insurance can be viewed as an intermediary mechanism that converts financial awareness into more practical and sustainable financial behavior.

### **Supporting the achievement of long-term financial goals**

Within the framework of the Life Cycle Hypothesis, individuals allocate income over time in order to achieve financial objectives throughout their lifetime [16]. However, financial shocks may disrupt this process. Through both protection and accumulation functions, life insurance helps ensure that long-term financial goals, such as education funding, retirement planning, or wealth accumulation, are not undermined by

unexpected risks. According to life-cycle theory, life insurance helps maintain the continuity of financial milestone achievement [13].

Regarding education, educational investment is a primary priority for most households. Nevertheless, unforeseen events affecting the primary income earner may jeopardize children's educational opportunities. In such situations, life insurance serves as a financial safeguard that enables children to continue their education. In addition, whole life insurance offers greater flexibility than traditional education funds because accumulated cash value is often excluded from financial aid asset calculations.

In terms of retirement planning, products such as unit-linked insurance provide an effective supplementary retirement instrument by allowing policyholders to access funds through withdrawals or loans based on accumulated cash value without incurring income tax liabilities [13]. Instead of relying on pension payments provided by social insurance systems, individuals proactively develop their own financial plans, accumulate savings regularly, and finance their retirement income independently in old age.

Accordingly, life insurance performs an intermediary role in maintaining the consistency of financial planning and improving individuals' ability to achieve long-term financial objectives.

## **4. RESULTS**

### ***4.1. Development of the Vietnamese Life Insurance Market***

Life insurance was introduced in Vietnam in 1996, while foreign life insurance companies officially entered the market in 1999. Over the past two decades, the expansion of Vietnam's life insurance market has progressively strengthened the role of insurance within the personal financial system. From a relatively underdeveloped market, the sector has experienced substantial growth in both market size, with 18 operating insurers, and coverage, reaching approximately 11.7% of the population in

2025 [17]. In addition, total life insurance premium revenue increased significantly, amounting to VND 237,211 billion in 2025, while the total assets of the insurance industry reached VND 1,113.6 trillion [23]. These developments suggest that life insurance is becoming an increasingly important component of personal financial management in Vietnam, although its contribution remains uneven among different groups within society.

#### ***4.2. Assessing the contribution of life insurance to the effectiveness of personal financial management in Vietnam***

##### **Positive contributions**

First, life insurance has contributed to improving the financial resilience of Vietnamese households, as reflected in the increasing scale of insurance benefit payments. According to the Ministry of Finance (2024) [14], total insurance claim payments across the market reached approximately VND 86 trillion in 2023, representing a substantial increase compared to previous years. By 2025, total insurance benefit payments had risen by 13.52% to VND 91.845 trillion [23]. Several insurers recorded particularly high claim payments, including Bao Viet, Dai-ichi Life, Prudential (VND 16.489 trillion) [19], and Manulife (VND 9.060 trillion) [15]. The large volume of benefit payments demonstrates the role of insurance as a financial compensation mechanism against shocks such as illness or death, thereby helping households maintain consumption levels and prevent asset depletion. This finding is consistent with theoretical arguments regarding the role of insurance under uncertainty [2; 6].

Second, life insurance has contributed to long-term financial accumulation through capital mobilization and allocation mechanisms. Total life insurance premium revenue reached approximately VND 228 trillion in 2024 [13] and increased to VND 237.211 trillion in 2025 [23], while the total assets of the insurance industry reached VND 1,113.6 trillion in 2025 [23]. At the same time, insurance companies reinvest

substantial financial resources back into the economy each year [8]. At the individual level, periodic premium payments facilitate long-term asset accumulation, which is consistent with the Life Cycle Hypothesis, according to which individuals allocate income over time to optimize consumption and savings [16].

Third, life insurance contributes to personal financial stability through income and consumption smoothing mechanisms. In Vietnam, where social security coverage and household financial reserves remain limited, unexpected events such as illness, accidents, or job loss can significantly disrupt personal finances. Insurance benefit payments help compensate for income losses and reduce the financial pressure caused by such shocks. As a result, individuals and households are less likely to deplete savings or rely heavily on debt to maintain essential expenditures. In this way, life insurance supports the continuity of personal financial plans and strengthens long-term financial resilience.

Fourth, life insurance has gradually expanded its accessibility and integration into the personal financial system, although its penetration remains relatively limited. Insurance companies in Vietnam continuously develop and diversify products to better meet customer needs. Product diversification has provided consumers with a broader range of financial choices. In particular, several major insurers have recently introduced unit-linked insurance products that combine protection with investment opportunities. For example, Prudential offers seven investment funds for customers, with an average five-year return of approximately 10.7% for equity funds [19], alongside hospital cashless payment networks covering hundreds of hospitals nationwide. As of August 2025, approximately 11.7% of Vietnam's population participated in life insurance programs [17]. Although this rate remains low compared to developed economies, the upward trend indicates that life insurance is gradually becoming an integral part of personal financial management.

Nevertheless, insurance penetration relative to GDP remains modest, suggesting substantial room for future development. Overall, the above evidence suggests that life insurance in Vietnam has made notable contributions to enhancing financial resilience, improving financial stability, and promoting long-term financial accumulation. However, these indicators mainly reflect market-level developments and should therefore be interpreted cautiously when extending conclusions to the effectiveness of personal financial management at the individual level.

#### **Limitations and underlying causes**

Despite the significant growth of Vietnam's life insurance market in recent years, the role of insurance in improving the effectiveness of personal financial management remains constrained by several limitations. These constraints arise from market conditions, operational mechanisms, and the financial behavior characteristics of consumers.

First, life insurance coverage remains relatively low and unevenly distributed, limiting its contribution to financial stability at the societal level. Although the Vietnamese government aims to achieve an insurance participation rate of approximately 18% of the population by 2030, the actual rate only reached around 11.7% by August 2025, significantly lower than those of many countries in the region and globally, such as the Philippines (38%), Malaysia (50%), Singapore (80%), and the United States (90%) [17]. In addition, insurance participation is concentrated mainly among urban residents and middle- to high-income groups, while rural and low-income populations, which are generally more financially vulnerable, have more limited access to insurance products. This imbalance weakens the role of life insurance as a broad-based financial risk resilience mechanism.

Second, financial literacy and public awareness of life insurance remain limited, thereby affecting the effectiveness of insurance utilization. In practice, many individuals still perceive life insurance

primarily as a short-term investment or savings channel rather than as a long-term risk management instrument. This misunderstanding often creates unrealistic expectations, leading to higher rates of early policy termination and unstable policy retention. Insurance market reports indicate that policy persistency rates during the initial years remain relatively low, reflecting instability in consumer financial behavior [14]. Moreover, insufficient financial literacy also reduces individuals' capacity to assess risks and develop effective financial plans [11].

Third, limitations in insurance distribution quality, customer service, and market trust continue to undermine the role of life insurance in personal financial management. During the 2020–2022 period, the bancassurance channel experienced rapid growth and accounted for a substantial share of new premium revenues. However, this expansion also generated concerns regarding advisory quality, information transparency, and product suitability. In many cases, customers were not fully informed about policy benefits, exclusion clauses, or financial obligations, resulting in mismatched expectations and subsequent disputes. Several controversial cases reported in the media and on social networks have further intensified public skepticism toward life insurance, negatively affecting the reputation of the entire industry and weakening consumer trust in the insurance market.

As a consequence, new business premium revenues in the life insurance sector declined significantly in 2023 following a period of rapid expansion [14]. In addition, early policy surrender and unstable policy retention rates have shown an increasing trend, thereby reducing the effectiveness of insurance as a mechanism for financial stability and long-term accumulation. Market competition also remains heavily focused on expanding sales and reducing premiums, while customer care and after-sales services have not received equivalent attention. Furthermore, insurance claim settlement

processes continue to face obstacles due to complex administrative procedures and dependence on verification from external authorities, thereby negatively affecting customer experience and confidence in life insurance services.

Fourth, technological infrastructure and market transparency remain insufficiently developed, affecting governance efficiency and risk control. Some insurance companies have yet to establish integrated information systems capable of effectively managing policyholder data, customer segmentation, and risk assessment. This situation not only increases operational costs but also creates vulnerabilities in fraud detection and insurance abuse prevention. Moreover, although the revised Law on Insurance Business came into effect in 2023, its practical implementation still requires time to fully establish regulatory frameworks related to advisory practices, distribution activities, and consumer protection.

Finally, the income structure and consumption behavior of Vietnamese consumers also limit the effectiveness of life insurance in personal financial management. Per capita income remains at a moderate level, while short-term consumption preferences continue to dominate consumer behavior, reducing the willingness and ability of individuals to participate in long-term financial products such as life insurance. This indicates that the role of insurance in personal financial management depends not only on market development but also on the financial literacy and behavioral characteristics of the population.

## **5. DISCUSSION**

Based on the findings regarding the mediating role of life insurance and the existing limitations of the Vietnamese life insurance market, this study proposes several policy implications to enhance the effectiveness of personal financial management through life insurance.

First, greater emphasis should be placed on financial education and improving public awareness of life insurance. In practice,

many individuals still perceive life insurance primarily as a short-term investment or savings instrument rather than a long-term risk management and financial stability tool. Therefore, financial education programs should be systematically implemented through schools, mass media, and digital platforms to improve individuals' understanding of personal financial management, risk assessment, and the role of insurance in long-term financial planning.

Second, it is necessary to restore and strengthen consumer confidence in the life insurance market. Regulatory authorities should enhance supervision of insurance distribution activities, particularly bancassurance channels, by standardizing advisory processes, improving product transparency, and strengthening the accountability of insurers and distribution institutions. At the same time, misleading sales practices and coercive insurance selling should be strictly addressed to protect consumers and improve the market's reputation. Strengthening public trust is essential for sustaining insurance participation and improving personal financial management outcomes.

Third, insurance companies should improve service quality and operational efficiency. Insurers need to invest more heavily in information technology to enhance customer data management, risk assessment, and fraud prevention systems. In addition, claim settlement procedures should be simplified, administrative burdens reduced, and processing times shortened to improve customer experience. Shifting competition toward service quality and value creation would contribute to the sustainable development of the insurance market.

Fourth, insurance products should be designed to better match the income levels and financial needs of Vietnamese consumers, particularly middle- and low-income groups as well as rural populations. Affordable, simple, and flexible insurance products would help expand insurance

coverage and strengthen household financial resilience on a broader scale.

Finally, in the long term, it is important to further improve the legal framework and enhance market transparency. The effective implementation of the revised Law on Insurance Business should be accompanied by more detailed regulations on consumer protection, information disclosure, and advisory responsibilities of insurance companies. A transparent, stable, and efficiently regulated insurance market would provide a solid foundation for life insurance to fully perform its mediating role in enhancing personal financial management effectiveness in Vietnam.

## 6. CONCLUSION

This study confirms that life insurance plays a mediating role in transforming financial awareness, income, and risk exposure into positive personal financial outcomes in Vietnam. However, the effectiveness of this mechanism remains constrained by low insurance penetration and behavioral factors. The findings contribute to broadening the perspective on life insurance from merely a risk management instrument to a mechanism for enhancing the effectiveness of personal financial management.

### *Declaration by Authors*

**Acknowledgement:** None

**Source of Funding:** None

**Conflict of Interest:** No conflicts of interest declared.

## REFERENCES

1. Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211.
2. Arrow, K. J. (1963). Uncertainty and the welfare economics of medical care. *American Economic Review*, 53(5), 941–973.
3. Beck, T., & Webb, I. (2003). Economic, demographic, and institutional determinants of life insurance consumption. *World Bank Economic Review*, 17(1), 51–88.
4. Browne, M. J., & Kim, K. (1993). An international analysis of life insurance demand. *Journal of Risk and Insurance*, 60(4), 616–634.
5. DeLibero, R., & Pfau, W. D. (2017). Life insurance as a retirement income tool. *Financial Services Review*, 26, 221–240.
6. Dercon, S. (2002). Income risk, coping strategies, and safety nets. *World Bank Research Observer*, 17(2), 141–166.
7. HDFC Life. (2026). Significance of Riders in a Life Insurance Policy. HDFC Life Knowledge Centre. Available at: [<https://www.hdfclife.com/insurance-knowledge-centre/about-life-insurance/significance-of-riders-in-life-insurance-policy>] Accessed 05/5/2026.
8. Insurance Association of Vietnam. (2023). Hundreds of Trillions of VND Reinvested into the Economy through Insurance. Available at: [<https://baotintuc.vn/kinh-te/hang-tram-nghin-ty-dong-quay-lai-nen-kinh-te-tu-bao-hiem-20251105184239674.htm>] Accessed 05/5/2026.
9. Outreville, J. F. (2014). Risk aversion, risk behavior, and demand for insurance: A survey. *Journal of Insurance Issues*, 37(2), 158–186.
10. Lavine, A. (2011). Life insurance as an asset class. *Wealth Management*, April 19. Available at: [[https://www.wealthmanagement.com/advisor-support-platforms/life-insurance-as-an-asset-class?utm\\_source=chatgpt.com](https://www.wealthmanagement.com/advisor-support-platforms/life-insurance-as-an-asset-class?utm_source=chatgpt.com)] Accessed 05/5/2026.
11. Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy. *Journal of Economic Literature*, 52(1), 5–44.
12. Mahdzan, N. S., & Victorian, S. M. P. (2013). The determinants of life insurance demand: A focus on saving motives and financial literacy. *Asian Social Science*, 9(5), 274–284. <https://doi.org/10.5539/ass.v9n5p274>
13. Ministry of Finance of Vietnam, IAV, Vietcap, 2025, Available at: [<https://www.dnse.com.vn/senses/tintuc/tong-doanh-thu-phi-bao-hiem-toan-thi-truong-ca-nam-2024-dat-muc-227500-ty-dong-34067657>] Accessed 05/5/2026.
14. Ministry of Finance of Vietnam. (2024). Vietnam's Insurance Market Maintained Growth Momentum in 2023 Available at: [<https://www.vietnamplus.vn/thi-truong-bao-hiem-viet-nam-duy-tri-da-tang-truong->

- trong-nam-2023-post911297.vnp] Accessed 05/5/2026.
15. Minh Tu (2026), Manulife Vietnam paid more than VND 9 trillion in insurance benefits to customers in 2025. Available at: [https://vneconomy.vn/manulife-viet-nam-chi-tra-hon-9000-ty-dong-quyen-loi-bao-hiem-cho-khach-hang-trong-nam-2025.htm] Accessed 05/5/2026.
  16. Modigliani, F., & Brumberg, R. (1954). Utility analysis and the consumption function: An interpretation of cross-section data. In K. K. Kurihara (Ed.), *Post-Keynesian Economics* (pp. 388–436). New Brunswick, NJ: Rutgers University Press. <https://doi.org/10.4324/9781315016849>
  17. Ngoc Lan (2025). 11.7% of the population participates in life insurance, remaining far from the 2030 target. Available at: [https://www.tinnhanhchungkhoan.vn/117-dan-so-tham-gia-bao-hiem-nhan-tho-con-xa-muc-tieu-2030-post374464.html] Accessed 05/5/2026.
  18. OECD. (2020). *How's Life? 2020: Measuring Well-being*. OECD Publishing. Doi:10.1787/9870c393-en.
  19. Prudential (2026), Prudential Vietnam Unit-Linked Fund Performance Report, January 2026. Available at: [https://www.prudential.com.vn/content/dam/prudential-aem-lbu/pva/vi\_VN/pdf/thong-tin-quy/hoat-dong-quy-lien-ket-don-vi-thang1-2026.pdf] Accessed 05/5/2026.
  20. Rey-Ares, L., Fernández-López, S., & Castro-González, S. (2024). *Life insurance consumption across generations: The roles of financial knowledge, planning horizon, and self-control*. *International Journal of Consumer Studies*, 48(2). <https://doi.org/10.1002/cb.2903>
  21. Swart, N. (2012). *Personal financial management* (2nd ed.). Juta & Company Ltd.
  22. Thaler, R. (1990). Saving, fungibility, and mental accounts. *Journal of Economic Perspectives*, 4(1), 193–205.
  23. Thanh Hoa (2026). In 2025, insurance benefit payments increased significantly by 13.52%, reaching VND 91.845 trillion. Available at: [https://vnbusiness.vn/nam-2025-chi-tra-quyen-loi-bao-hiem-tang-manh-1352-dat-91845-ty-dong.html] Accessed 05/5/2026.
  24. Xiao, J. J. (2016). Consumer financial capability and financial satisfaction. *Social Indicators Research*, 118(1), 415–432.
- How to cite this article: Bui Thi Minh Tiep, Nguyen Thi Thu Trang. The mediating role of Life insurance in enhancing personal financial management effectiveness: A case study in Vietnam. *International Journal of Research and Review*. 2026; 13(5): 508-517. DOI: <https://doi.org/10.52403/ijrr.20260547>

\*\*\*\*\*