



KINGDOM OF CAMBODIA
NATION – RELIGION – KING



ROYAL GOVERNMENT OF CAMBODIA

No 275 ANKr. BK

SUB-DECREE

ON

INSURANCE



Royal Government

- Having seen the Constitution of the Kingdom of Cambodia;
- Having seen Royal Kret No. NS/RKT/0918/925 dated September 6, 2018, concerning the Nomination of the Royal Government of the Kingdom of Cambodia;
- Having seen Royal Kret No. NS/RKT/0320/421 dated March 30, 2020, concerning the Adjustment of the Composition of the Royal Government of Kingdom of Cambodia;
- Having seen Royal Kram No. NS/RKM/0618/012 dated June 28, 2018, promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having seen Royal Kram No. NS/RKM/0196/18 dated January 24, 1996, promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having seen Royal Kram No. NS/RKM/0121/003 dated January 16, 2021, promulgating the Law on the Organization and Functioning of Non-Bank Financial Services Authority;
- Having seen Royal Kram No. NS/RKM/0814/021 dated August 4, 2014, promulgating the Law on Insurance;
- Having seen Royal Kram No. NS/RKM/0416/006 dated April 11, 2016, promulgating the Law on Accounting and Auditing;
- Having seen Sub-Decree No. 113 ANKr. BK dated July 14, 2021, concerning the Organization and Functioning of Units under the Auspices of the Non-Bank Financial Services Authority;
- Having seen the proposal of Minister of Economy and Finance and Chairman of the Council of the Non-Bank Financial Services Authority

HEREBY DECIDES

Chapter 1

General Provisions

Article 1 ..

This Sub-Decree sets rules, procedures, and standard for governing and supervising on insurance activities to guarantee good governance, efficiency, free and fair competition, and to protect interests and to gain trust from the public within insurance sector, in compliance with the Law on Insurance.

Article 2 ..

The scope of this Sub-Decree applies to all insurance activities in the Kingdom of Cambodia, except micro-insurance activities, which are governed by other Sub-Decree and related regulations.

Article 3 ..

Terminologies used in this Sub-Decree are defined as follows:

- **Chairman of FSA** refers to the Chairman of the Council of Non-Bank Financial Services Authority
- **Insurance Institution** refers to Insurance Company, Insurance Agent, Insurance Broker, Insurance Loss Adjusting Firm and Actuarial Firm
- **Insurance Company** refers to General Insurance Company, Life Insurance Company, and Reinsurance Company
- **Insurance Intermediary** refers to a natural person or a legal entity that offers professional insurance services to customers through the preparation of a contract between the insurance company and the customers, to earn commission fee for offering such service. Insurance Intermediary includes Insurance Agent and Insurance Broker
- **Insurance Agent** refers to a natural person or a legal entity who, on behalf of the Insurance Companies, provides information on insurance policies, prepares insurance contracts, collects premiums, and arranges for indemnity, within an explicit framework of an agreement between the Insurance Agent and Insurance Company through which the insurance agent receives commission fee from the Insurance company
- **Insurance Broker** refers to a legal entity who works in the interests of the insured, providing consultation, sharing information related to the types of insurance, terms and conditions and premiums of insurance contracts, negotiating and preparing insurance contract between an applicant and Insurance Company, and selling insurance policies by receiving a commission fee from an Insurance Company, or a consultation fee from a customer
- **Loss Adjusting Firm** refers to a legal entity independent from Insurance Company, whose tasks are to inspect, verify, evaluate damages arising from insurance risks, and issue documentation as a basis for an Insurance Company to indemnify. Loss Adjusting Firm performs its services by receiving an inspection fee from an Insurance Company
- **Actuarial Firm** refers to a professional firm whose expertise is to analyze and calculate insurance risks and set insurance premium rate

- **Policy Owner** refers to a natural person or legal entity who has legal rights over an insurance policy. In exceptional cases, policy owners are both beneficiary and the insured of an insurance policy
- **Reinsurance** refers to an insurance operation where a ceding insurance company is insured by another company, a reinsurance company, of the risk in whole or in part under its insurance contract
- **Double Insurance Contract** refers to an insurance contract which the insured has entered into more than one insurance contract with other insurance companies aims to insure one subject under the same conditions and the same insured event.
- **Co-Insurance Contract** refers to an insurance contract which more than one general insurance company cooperate and take on the same risks
- **Actuary** refers to an expert in analyzing and calculating specific insurance risks to set premium rate
- **Permitted Entity** refers to a legal entity that is registered under the Law of Kingdom of Cambodia.

Chapter 2

Competent Authority

Article 4 ..

Insurance Regulator of Cambodia (“**I.R.C.**”) has the competent authority in issuing regulations to manage and supervise insurance businesses in accordance with the Law on Insurance and this Sub-Decree to Non-Banking Financial Services Authority to approve and implement.

The I.R.C. has the competent authority in managing and supervising insurance businesses in the Kingdom of Cambodia in accordance with the Law and regulations enforced.

Article 5 ..

The I.R.C. has the competent authority in establishing and managing insurance development fund to enhance the development, support, and promotion of the dissemination of insurance benefits to the public.

Chapter 3

Insurance Contract

Article 6 ..

An insurance, either life insurance or general insurance that is beneficial to natural person or legal entity as the insured against any risks, shall be made only with the insurance company obtaining a license to operate insurance business in the Kingdom of Cambodia.

Section 1

General Procedure

1. Conditions, Validity, and Procedures of Insurance Contract Formation

Article 7 ..

An insurance contract refers to a written agreement made between insurance company and the insured, in which, through such agreement, an insurance company agrees to take on specific risks and receive payment of premium from the insured in return.

An insurance contract contains these elements below at the minimum:

1. Insurance policy or cover note.
2. Certificate of insurance.

Article 8 ..

Insurance policy is a document of insurance contract used as evidence to form insurance contract. Insurance policy shall be signed or sealed by an insurance company or by insurance intermediary who is authorized to sell insurance products.

Article 9 ..

Insurance policy shall have general conditions and specific conditions of insurance contract as below:

1. General conditions of insurance contract shall list down insurable risks and uninsurable risks.
2. Specific conditions of insurance contract shall list down special request of the insured as declared in the application form by the insured.

Minimum elements of insurance policy are set by separate provisions.

Article 10 ..

Cover Note is a temporary document issued by insurance company or insurance intermediary, who is authorized to sell insurance products, instead of insurance policy in urgent cases where an insurance company or insurance intermediary who is authorized to sell insurance products could not form a contract and issue insurance policy.

Cover note shall be signed by insurance company or insurance intermediary, who is authorized to sell insurance product, and the insured before granting to the insured.

Cover note shall include minimum elements are below:

- Registration ID of application form and applicant;
- Summary of insurance product;
- Objective and validity of cover note;
- Duration of cover note;
- Benefits received in the case of risk occurrence during the temporary situation.

Article 11 ..

Certificate of Insurance or Summary of insurance policy shall state:

- Surname and name and address of parties to the contract
- Persons or property insured

- Types of risk that are insured
- Duration and venue of the risks insured
- The amount of sum insured
- Amount of premium paid and methods in paying premium
- Procedures and conditions of the Declaration of Accident
- Duration of the contract and period of insurance
- Other conditions that set annulment and disqualification, and other conditions that allow each party to terminate the contract prior to the due date.

Aside from the conditions listed above, both parties may set additional conditions upon prior agreement.

Article 12 ..

Insurance contract shall determine the subject to be insured, which consists of property, body and life.

Article 13 ..

Parties to insurance contract are:

- Insurance companies; and
- Policy owner or the insured.

Policy owner or the insured who sign an insurance contract shall be a natural person, a minor who are emancipated, or a legal entity.

Article 14 ..

The formation of an insurance contract shall be made in free will in accordance with the Civil Code of the Kingdom of Cambodia.

Article 15 ..

An insurance contract and any related documents given by a policy owner or the insured shall be made in written format, and arranged in Khmer language.

Article 16 ..

In order to form an insurance contract, a person who wishes to sign an insurance contract shall submit an insurance application to an insurance company directly, or through an insurance intermediary, in the form of registered letter with signature and/or thumbprint. Based on the application or declaration, an insurance company shall conduct examination and inspection. In case where an insurance company agrees on the application, an insurance company may issue an insurance policy to the applicant.

Article 17 ..

Insurance product is an insurance contract that are sold in the insurance market. The sample of an insurance contract, which is called an insurance product, shall be permitted by the I.R.C. prior to putting on sale in an insurance market.

2. The Effect of Insurance

Article 18 ..

An insurance is effective from the date the insured has made premium payment as set in an insurance contract.

In case where an insurance contract does not specify the effective date of the insurance, or the date of premium payment in any documents of an insurance contract, the date that the insured has made premium payment shall be deemed as the effective date of an insurance.

The insured is entitled to use the date on the receipt of premium payment as evidence to the date when in insurance is effective.

3. Obligations of the insured

Article 19 ..

The obligations of the insured are as follows:

1. Provides oral and/or written information in detailed and accurate manner filled with honesty to an insurance company or an insurance intermediary.
2. Makes premium payment in accordance with the list of premium payment of each insured. Premium payment is the primary obligation of the insured. In making this premium payment, the insured is entitled to negotiate with an insurance company to decide the method of premium payment in whole or installment.
3. The insured or beneficiary who faces losses or damages in accordance with an insurance contract, including property loss or damage, and/or bodily injury, disability, or death, shall immediately notify in every means to an insurance company when the risk incurs.
4. The insured or beneficiary shall provide oral and/or written evidence related to the incurrence of an insurance risk in an appropriate time as stated under an insurance contract to an insurance company so that an insurance company uses it as a basis to conduct an evaluation before paying indemnity. Providing oral or written evidence in a late-manner may be used as a legitimate reason by an insurance company to delay the procedures in setting and paying indemnity.

4. Obligations of an Insurance Company

Article 20 ..

Obligations of an insurance company are as follows:

1. Explains to an individual who wishes to sign an insurance contract the conditions of an insurance contract and the description of an insurance policy, or cover note attached with the certificate of insurance, or summary of insurance policy and/or other related document in a precise and honest manner.
2. Issues insurance policy or cover note, certificate of insurance or the summary of insurance policy, and/or other related documents to an insurance applicant when an insurance company receives premium from them.

3. Indemnifies against losses or damages of the insured subject when the risk incurs, or as determined under the insurance contract. Insurance company shall provide proper indemnity in accordance with the benefits or the amount of money insured as set in the conditions of the insurance contract. Insurance company has an obligation to assist the insured or beneficiary in collecting information, evidence and providing guidance with an aim to decrease any damages once it receives the notification about the risk incurring on the subject of insured.
4. Notifies the insured, beneficiary, consanguinity, or policy owner when an insurance company receives notification on the death or insanity of the insured.
5. Maintains confidentiality of all information disclosed by insurance applicant or the insured.
6. Assigns an employee with actuarial expertise, or uses services from an actuary licensed to operate in Kingdom of Cambodia to assess the risk incurred. Any expenses or service fee is the responsibility of the insurance company. In case the insured or beneficiary is not satisfied with the result of the risk assessment, the insured or beneficiary is entitled to lodge a complaint to THE I.R.C.
7. Initiates claim settlement procedures immediately after receiving claims form, either in cash and/or in subject to the insured at a specific date based on the actual damages and insurance coverage. Guidelines on claim settlement procedures shall be determined by Prakas of the Chairman of FSA.

5. Modifications to an Insurance Contract

Article 21 ..

Parties to an insurance contract have the right to modify an insurance contract.

Contract modification means modifying any terms and conditions listed under an insurance contract.

Article 22 ..

Insurance contract may be modified based on an agreement between parties to the insurance contract in accordance with the conditions of insurance products.

Article 23 ..

Any modifications on an insurance contract are effective when the insurance company agrees to it. Such modification is effective from the date agreed by both parties to the contract. Additional insurance contract shall be made in written format.

6. Extension of an Insurance Contract

Article 24 ..

Parties to the contract have the right to extend an insurance contract after its expiration date. Extension of an insurance contract is the extension of the validity of an insurance contract and the effectiveness of an insurance.

Procedures on the extension of an insurance contract shall be set by Prakas of the Chairman of FSA.

7. Suspension of an Insurance Contract

Article 25 ..

Parties to the contract have the right to suspend an insurance contract. The request to suspend the insurance contract is to suspend the implementation of the contract, and will continue the contract later with the same terms and conditions and premium rate under the insurance contract.

The suspension of the insurance contract shall be made in written format with the consent from parties to the contract.

Terms and conditions and procedures of the suspension of the insurance contract shall be determined by Prakas of the Chairman of FSA.

8. Termination of Insurance Contract

Article 26 ..

Parties to an insurance contract have right to terminate the contract prior to the due date.

The terms and conditions and procedures of termination of the insurance contract shall be determined by Prakas of the Chairman of FSA.

9. Nullification of Insurance Contract

Article 27 ..

Insurance contract shall be nullified if the contract is contrary to the laws and regulations enforced and/or public order and good customs.

10. Revocation of Insurance Contract

Article 28 ..

Insurance contract shall be revoked if the policy owner or the insured is found out to have concealed the truth or willfully misrepresented material facts which might cause any change or modification on the terms and conditions of the contract.

Article 29 ..

Parties to the insurance contract have right to claim the indemnity for damages caused by parties to the defect of the agreement.

11. Statute of limitation of Complaint related to Insurance Contract

Article 30 ..

Complaint related to the general insurance contract shall have a statute of limitations of 5 (five) years after the date on which any party fails to perform the terms and conditions of insurance contract. In the case of complaint related to life insurance contract, a statute of limitations is 15 (fifteen) years after the date of which the insured is dead. In the event that additional life insurance

contract covered risk to body or health, a statute of limitations of complaint have duration for 5 (five) years after the risk is occurred.

A statute of limitations of this complaint shall not apply to indemnity claim.

12. Validity of Indemnity

Article 31 ..

Parties to a general insurance contract have right to determine the validity period of the indemnity after the expiration date of the general insurance contract, but the period of validity might not be less than 5 (five) years after the expiration date of validity of the insurance contract.

For the life insurance contract, the validity of indemnity after the expiration of the insurance contract might not be less than 15 (fifteen) years after the expiration date of the validity of the insurance contract.

The validity of the indemnity above applies in the case that the insured or the beneficiary is not aware of the risk occurrence for the subject of insurance policy within the period that insurance contract is valid.

Article 32 ..

In case the insurance company receives the indemnity request, but fails to identify the insured to indemnify, the insurance company is obligated to make utmost effort in searching for the insurer or beneficiary from life insurance contract within the period of 10 (ten) years from the date that the insurance company determined the amount of indemnity. If the insurance company is unable to search for the insured after the period above, the insurance company shall transfer the sum insured back to the insurance development fund.

Article 33 ..

In case that insurance risk has occurred and no indemnity request is made within the period of 7 (seven) years, commencing from the date that risk has occurred, the insurance company shall transfer the sum insured back to the insurance development fund.

Section 2

General Insurance

Article 34 ..

General insurance is an insurance contract made by the insured and insurance company whereby the payment of insurance premium shall be made to cover the risk upon property, liability, and health. Types of general insurance products include property insurance, liability insurance, and health insurance.

Article 35 ..

After an insurance company indemnifies, the insured shall transfer the subrogation right to the insurance company to file a lawsuit against the third party who caused the damage so as to claim back the sum equivalent to the indemnity. However, the insurance company may not claim indemnity for unintentional risk caused by the descendants, ancestors, affinity, manager and

employee who normally live in the residence of the insured, except where there is evidence to prove that severe and intentional mistake have been committed by any of the aforementioned persons.

In case that descendants, ancestors, affinity, manager and employee who normally live in the residence of the insured have an insurance policy, the insurance company of the insured has the right to file a lawsuit against the insurance company of the aforementioned persons.

Insurance company has the right to claim back or is exempt from indemnity in case that the insurance company lost right to subrogate its complaint due to the act of the insured.

Article 36 ..

In case that the insured enters into a double insurance contract, the insured shall receive the indemnity upon the amount not more than the damaged or exact loss of property or medical expense.

Article 37 ..

In case that the insured sign a co-insurance contract, each insurance company shall be liable to indemnify for a proportion of the insured risk.

Article 38 ..

Insurance contract might be transferred in case that the insured property is resold, and the new owner has given notice to the insurance company immediately and has requested for the additional contract to officially transfer the insurance to their own names.

In case that the previous owner submits a registered letter to terminate the insurance contract within the period for more than 10 (ten) days of the calendar day after the sale, and the new owner does not request for the additional contract to transfer insurance contract, the insurance company is obligated to refund 90% (ninety percent) of insurance premium for the remaining period in case that insurance contract does not have indemnity request.

The previous owner remains obligated to make premium payment as set forth in the insurance contract if notice of resale has not been made to the insurance company through the registered letter or notice letter which explicitly confirms the receipt or does not request to terminate the insurance contract. In case the old owner fails to make premium payment, the insurance company and the new owner have right to terminate the insurance contract.

Article 39 ..

In case the insured, who is the owner of property insured, has passed away, the obligations to make premium payment shall fall onto the successor of the above property.

The successor has an obligation equivalent to the insured who has passed away. In these terms and conditions, the successor has right to willfully terminate or transfer the insurance contract.

Article 40 ..

In case that the insured seeks to terminate the general insurance contract before the due date, the insured shall execute the procedure as determined by Article 26 of this Sub-Decree. If the insurance company agree to the proposal of such termination, the insurance company is obligated to refund the insured 90% (ninety percent) of insurance premium for the remaining period.

In case the request for the termination insurance is made after the company has indemnified the claim, the insurance company is not obligated to refund the premium for the remaining period.

Section 3

Life Insurance

Article 41 ..

Life insurance is an insurance contract made between the insured and the insurance company, in which the payment of premium is made to insure on death or livelihood, which may include insurance on personal accident, critical illness, or common illness. The types of life insurance products are term-life insurance, whole-life insurance, endowment insurance, and annuity insurance.

Article 42 ..

The insured or the applicant shall beforehand determine the name of the beneficiary.

The applicant shall be subject to approval from the insured when the applicant is a person who determines the beneficiary.

Article 43 ..

The insured or the applicant may determine the name of one or several beneficiaries.

If there are several beneficiaries, the insured or the applicant shall decide the order and shares of the benefits between each beneficiary.

If the shares of the benefits are not decided, the beneficiaries shall have equal shares of the benefits.

Article 44 ..

For life insurance contract, the applicant shall obtain prior written consent from the insured on the amount of the premium, otherwise it shall be voided. However, the insurance contract arranged by the parents for children who are minors shall not be subject to this condition.

Article 45 ..

If no prior consent is specifically made in the insurance contract, the life insurance company shall not indemnify in the case that the insured commits suicide after the insurance contract comes into effect, or the insured was intentional killed or was conspired by any beneficiaries.

In case that one or several beneficiaries are the provocateurs of the intentional death or injury of the insured, the life insurance company is obligated to pay insurance indemnity to the

other beneficiaries who are not the provocateurs based on the order and the shares of the benefits of each beneficiary. The insurance indemnity for the beneficiary, who was intentionally killed or conspired in the murder, shall be transferred to the insurance development fund.

Article 46 ..

If all the beneficiaries determined in insurance policy have lost the right to request for indemnity, which leads to no beneficiary, sum insured which is the benefit shall become the inheritance. In this case, the premium shall be divided by the succession as stipulated in the Civil Code.

Article 47 ..

In case that the beneficiary is the minor, the insurance company shall pay the premium to the person who have qualifications in accordance with the Civil Code as the guardian of the minor.

Article 48 ..

The beneficiary is obligated to notify the death of the insured to the insurance company within the reasonable period of time after being aware of the death in every means.

Article 49 ..

The insured has the right to surrender the life insurance contract within the period of at least 21 (twenty-one) days of the calendar day after the date of the execution of the contract. In case of surrendering the insurance contract as stated above, the insurance company is obligated to transfer the premium back to the insured by deducting the health check expense.

Article 50 ..

The insurance company shall provide the grace period of at least 30 (thirty) days of the calendar days for failing to pay the premium, from the date of the expiration of the payment. The insurance contract is still effective during the exemption period. In case that the risk occurs during the exemption period, the insurance company shall indemnify the claim by deducting the amount of the premium which has not been paid.

Article 51 ..

In case that the savings insurance contract comes into effect within the period of 2 (two) or more years, the insurance company does not have the right to terminate the contract immediately due to the failure of the premium payment. However, the terms and conditions and/or the benefits of the life insurance contract might be changed based on the determination of the insurance company after providing notice to the insured.

Article 52 ..

In case that the savings insurance contract comes into effect within the period of 2 (two) or more years, the insured has the right to terminate the contract, and the insurance company shall provide the value of the surrender of contract to the insured as determined in the contract.

Section 4

Reinsurance

Article 53 ..

The insurance company only has the right to operate outward reinsurance. The reinsurance company has right to operate both inward and outward reinsurance.

Article 54 ..

The insurance company has the right to enter into an outward reinsurance agreement only with the reinsurance company to transfer partial or whole risk that it enters into a contract with the customer.

The reinsurance company has the right to enter into an inward reinsurance agreement with the insurance company or the reinsurance company to accept partial or whole risks, from the insurance company. The reinsurance company has the right to enter into an outward reinsurance agreement only with the reinsurance company to transfer partial or whole risks from the insurance company or the reinsurance company.

Even in the case of reinsurance, the ceding insurance company shall remain responsible for the insured.

Article 55 ..

Every reinsurance agreement shall seek prior approval from the I.R.C. before the execution of such agreement.

Guidelines on the reinsurance shall be determined by Prakas of the Chairman of FSA.

Chapter 4

Types of compulsory insurance

Section 1

liability Insurance for Motor vehicle

Article 56 ..

A natural person or legal entity who is the owner of the motor vehicle transporting in the Kingdom of Cambodia shall have insurance for their vehicles from an insurance company for the liability of all damages caused to the third party. The types of motor vehicles, which shall have motor vehicle liability insurance, are as follows:

- All types of motor vehicles carrying out transport and logistics business, passengers, and tourists in the Kingdom of Cambodia;
- All types of motor vehicles owned by a company, an enterprise, or a factory;
- Motor Vehicles of Non-Governmental Organizations, International Organizations and other Associations;
- Cement mixers relocated by direct machine or by towing.

Article 57 ..

For the motor vehicle liability insurance policy, the insurance company has the right to reject claims against the motor vehicle owners, drivers, caretakers and persons living under the direct responsibility of motor vehicles owners who result in physical injury, disability or death in the event of the traffic accident.

In order to receive insurance coverage for the situation stated in the above paragraph, the motor vehicle owner, drivers, caretakers and persons living under the direct responsibility of motor vehicles owners shall have a separate insurance policy.

Article 58 ..

An insurance company may reject indemnity in the cases as follows:

- Driver does not have the driving license, driving license is incompatible with the types of motor vehicles, or the driving license has expired, except when agreed by law
- Driver is under the influence of alcohol to the extent prescribed by applicable law.
- Driver is under the influence of drug.

Article 59 ..

Procedures of claim settlement of motor vehicle liability insurance shall be determined by Prakas of the Chairman of FSA.

Article 60 ..

The insured who is the owner of the motor vehicle, driver, or caretaker shall present the insurance certificate to the competent authority when necessary.

Article 61 ..

The insured who is a motor vehicle owner shall place insurance stickers as set out by Prakas of the Chairman of FSA.

Section 2

Liability Insurance for Construction Site

Article 62 ..

A natural person or legal entity who is a construction site owner, constructor, sub-contractor to the construction in the Kingdom of Cambodia shall obtain construction site insurance for all accidents caused by the construction activities regardless of physical injury or property damage of any third party who live around the construction site, travel through or nearby the construction site.

Article 63 ..

Types of construction sites that are required to have construction insurance are all constructions, rehabilitation of existing constructions, and installation of constructions that are under the responsibilities of entrepreneurs, contractors or sub-contractors, except the public legal entities which are in charge of construction, rehabilitation of existing constructions, and

installation of constructions that serve public interests. Any small-scale construction or rehabilitation that does not require an approval for project design from the competent authority shall also be exempted.

Section 3

Liability Insurance for Passenger Transports

Article 64 ..

A natural person or legal entity who is the owner of all types of passenger transports holding license to operate the transport business in the Kingdom of Cambodia shall have liability insurance for their passengers.

Chapter 5

Insurance Institutions and Licensing

Section 1: Procedure, Terms and Conditions of Licensing

1. Insurance Company

Article 65 ..

Any persons who wish to operate insurance business as a company or foreign branch office that are registered in accordance with the law of Kingdom of Cambodia shall request for an insurance business license from the I.R.C. following the basic conditions below:

- Be a permitted entity;
- Be in the form of Public Limited Company;
- Have at least 2 (two) shareholders as natural persons;
- Be financial soundness in accordance with the insurance-related laws and regulations;
- Have professional skill in insurance.

The detailed procedure, terms and conditions of the insurance business licensing shall be determined by Prakas of the Chairman of FSA.

Article 66.-

There are three types of insurance business license:

1. General insurance business license.
2. Life insurance business licenses.
3. Reinsurance business licenses.

2- Insurance Broker

Article 67.-

Any persons who wish to operate insurance broker business as a company or foreign branch office that are registered in accordance with the Law of Kingdom of Cambodia shall request for an insurance broker business license from the I.R.C. following the basic conditions below:

- Be a permitted entity;
- Be financial soundness in accordance with the insurance-related laws and regulations;
- Have professional skill as an insurance broker.

The detailed procedure, terms and conditions of the insurance broker business licensing shall be determined by Prakas of the Chairman of FSA.

Article 68.-

There are three types of insurance broker business license:

1. General insurance broker business license.
2. Life insurance broker business licenses.
3. Reinsurance broker business licenses.

3- Insurance Agent

Article 69.-

Any persons who wish to operate insurance agent business as a company or foreign branch office that are registered in accordance with the Law of the Kingdom of Cambodia shall request for an insurance agent business license from the I.R.C. by following the basic conditions below:

- Be a permitted entity;
- Be financial soundness in accordance with the insurance-related laws and regulations;
- Have professional skill as an insurance agent.

The detailed procedure, terms and conditions of insurance agent business licensing shall be determined by Prakas of the Chairman of FSA.

Article 70.-

Any persons who wish to be an individual insurance agent shall register as an insurance agent with the I.R.C.

The detailed procedure, terms and conditions of the individual insurance agent registration shall be determined by Prakas of the Chairman of FSA.

4- Loss Adjusting Firm

Article 71.-

Any persons who wish to operate loss adjusting business as a firm or foreign branch office that are registered in accordance with the Law of the Kingdom of Cambodia shall request for a loss adjusting business license from the I.R.C. by following the basic conditions below:

- Be a permitted entity;
- Be financial soundness in accordance with the insurance-related laws and regulations;
- Have professional skill as a loss adjuster.

The detailed procedure, terms and conditions of the loss adjusting business licensing shall be determined by Prakas of the Chairman of FSA.

5- Actuarial Firm

Article 72.-

Any persons who wish to operate actuarial business as a firm or foreign branch office that are registered in accordance with the Law of the Kingdom of Cambodia shall request for an actuarial business license from the I.R.C. by following the basic conditions below:

- Be a permitted entity;
- Be financial soundness in accordance with the insurance-related laws and regulations;
- Have professional skill as a loss adjuster.

The detailed procedure, terms and conditions of actuary business licensing shall be determined by Prakas of the Chairman of FSA.

Section 2

Insurance Institutions Governance

Article 73.-

Any appointments or changes of member of the Board of Directors or the Executive Management of insurance institutions shall receive prior approval from the I.R.C.

Article 74.-

An individual who is a member of the Board of Directors or the Executive Management of the insurance institutions shall have qualifications in accordance with the following “appropriate” criteria:

1. Integrity, capacity, and common sense in performing duties and responsibilities on position;
2. Thorough attention on the duties;
3. Has criteria of an individual that do not affect the interests of the policy owners, claimants, customers, and the creditors of insurance company.

The separate criteria of the member of the Board of Directors and the Executive Management of insurance entities shall be determined by Prakas of the Chairman of FSA.

Article 75.-

Insurance company operating business in the Kingdom of Cambodia shall appoint a professional actuary with the prior approval of the I.R.C.

Qualifications, functions, and duties of the professional actuary shall be determined by Prakas of the Chairman of FSA.

Section 3

Financial Management of Insurance Institutions

Article 76.-

Insurance institutions shall maintain a minimum capital requirement during their business operations in the Kingdom of Cambodia. In case where such minimum capital has been used and remains below the minimum capital size, the company shall replenish it.

The minimum capital requirement of the insurance institutions may be increased in accordance with the decision of the Chairman of FSA.

Article 77.-

The minimum capital required for an insurance company shall be in Riel equivalent to 5,000,000 (five million) per prevailing rate S.D.R at the issuance of the license.

Article 78.-

The minimum capital required for an insurance broker company shall be determined by Prakas of the Chairman of FSA. The minimum capital shall not be less than 400,000,000 (four-hundred million) Riel.

Article 79.-

The minimum capital required for an insurance agent company shall be determined by Prakas of the Chairman of FSA. The minimum capital shall not be less than 80,000,000 (eighty million) Riel.

Article 80.-

The minimum capital required for a loss adjusting firm shall be determined by Prakas of the Chairman of FSA. The minimum capital shall not be less than 80,000,000 (eighty million) Riel.

Article 81.-

The minimum capital required for an actuarial firm shall be determined by Prakas of the Chairman of FSA. The minimum capital shall not be less than 80,000,000 (eighty million) Riel.

Article 82.-

The requirements of determining the minimum capital and solvency margin of the insurance institutions shall be determined by Prakas of the Chairman of FSA.

Article 83.-

Insurance companies may conduct investment with the funds that excessive to the minimum capital. Such investment policy shall be determined by Prakas of the Chairman of FSA.

Article 84.-

Insurance companies shall establish the Investment Committee, a sub-committee of the company's Board of Directors. The members and the duties of such committee shall be determined by Prakas of the Chairman of FSA.

Article 85.-

Insurance companies shall maintain the capital reserve to secure the insurance liability. The Guideline on Capital Reserve Calculation shall be determined by Prakas of the Chairman of FSA.

Article 86.-

Within the 3 (three) months following the end of the fiscal year, or during any additional period approved by the I.R.C., the insurance companies shall submit to the I.R.C. their annual financial statement, which has been audited by licensed auditor(s) recognized by the Accounting and Auditing Regulator. Such financial statement shall comply with the Law on Accounting and Auditing and other relevant regulations in effect.

Article 87.-

Insurance companies shall publicly disseminate their annual financial statement in a format required by the I.R.C.

Article 88.-

Insurance companies shall seek prior approval from the I.R.C. before choosing the audit firms. Only audit firms registered with the I.R.C. are permitted to audit the financial statement of insurance institutions.

The procedure and requirement determined for the registration of the audit firms shall be determined by Prakas of the Chairman of FSA.

Article 89.-

Insurance institutions shall submit quarterly and annual reports of pre-audited financial statements to the I.R.C. The financial statements include:

- Balance sheet;
- Profit and loss statement and other comprehensive statements;
- Statement of Changes in Equity;
- Cash flow statements;
- Notes to the financial statements.

Besides this, the insurance institutions shall submit the other reports to the I.R.C. when necessary.

Such financial statements shall be verified and submitted to the I.R.C. in written format or through e-mail. Insurance institutions shall submit such statements in a format required by the I.R.C.

Article 90.-

Insurance institutions shall submit monthly reports to the I.R.C. in a form required by the I.R.C.

Article 91.-

Insurance institutions shall implement the Laws and Regulations on Anti-Money Laundering and Combating the Financing of Terrorism, Law on Combating Financing of the Proliferation of Weapons of Mass Destruction, and Laws and Regulations on Foreign Account Tax Compliance in force.

**Chapter 6
Insurance Inspections**

Article 92.-

The insurance inspector is accredited as the judicial police officer to examine the offences stipulated in the Law on Insurance in compliance with the provisions of The Code of Criminal Procedure.

The rules and procedures for accrediting the insurance inspector as the judicial police officers shall be determined by Joint-Prakas of the Minister of Justice and Minister of Economy and Finance who is the Chairman of FSA.

Article 93.-

On-site insurance inspections shall be conducted regularly without prior notice, at the discretion of the Chairman of FSA.

Article 94.-

Procedures of insurance inspection shall be determined by Prakas of the Chairman of FSA.

Chapter 7 Dispute Mediation

Article 95.-

For any dispute related to the insurance business, any disputing parties may refer the dispute to the I.R.C. for mediation before filing the dispute to the arbitration or the competent court, except for the criminal charges.

Article 96.-

Any persons who have an insurance dispute with the insurance institutions are entitled to file the complaint, either to the insurance institutions to settle, or to the I.R.C. to mediate.

Article 97.-

The I.R.C. shall appoint the officer to receive the insurance dispute complaint.

Article 98.-

The defendant shall respond with clarification within at most 5 (five) working days after receiving the complaint order from the I.R.C.

Article 99.-

All information inquiries and mediation sessions during the complaint process shall be conducted at the I.R.C.

Article 100.-

The I.R.C. shall complete the complaint procedure within 30 (thirty) working days at most, commencing from the date of receipt of the complaint. If the parties to the dispute failed to reach settlement, such parties may choose to proceed with the case as outlined in Article 92 of the Insurance Law.

Article 101.-

The detailed conciliation procedure shall be determined by Prakas of the Chairman of FSA.

Chapter 8 Separate Provision

Article 102.-

A natural person or legal entity who are the insured may enter into an insurance contract with foreign insurance companies only for the insurance on risk of international goods transport by sea, land, and air.

Chapter 9 Transitional Provision

Article 103.-

Insurance licenses, certificates, and approval letters that have been granted to all insurance institutions in accordance with Sub-Decree No. 106 ANK.BK, dated 22 October 2001, shall remain valid until the expiration of such insurance licenses, certificates, and approval letters.

Chapter 10 Final Provisions

Article 104.-

Sub-Decree No. 106 ANK.BK, dated 22 October 2001, shall be annulled after this Sub-Decree comes into force.

Regulations under Sub-Decree No. 106 ANK.BK, dated 22 October 2001, shall remain in force until they are substituted by new regulations, except for any provisions contrary to the meaning of this Sub-Decree.

Article 105.-

Any provisions in contrary to this Sub-Decree shall be deemed null and void.

Article 106.-

Minister in charge of the Council of Minister, Minister of Economy and Finance and as the Chairman of Non-Bank Financial Services Authority, Minister of Justice, Minister of Commerce, Governor of the National Bank of Cambodia, Ministers of all Ministries and the relevant Head of all institutions shall be in charge of implementing this Sub-Decree from the signatory date.

**Phnom Penh, 30th December 2021
Prime Minister**

(Sign)

Samdech Akka Moha Sena Padei Techo Hun Sen

Have Proposed Signature to

**Samdech Akka Moha Sena Padei Techo, Prime Minister,
Minister of Economy and Finance and as the Chairman of
Non-Bank Financial Services Authority**

(Sign)

Akka Bandit Sapheacha Aun Pornmoniroth

- The Ministry of Royal Palace
- General Secretariat of Constitutional Council
- General Secretariat of Senate
- General Secretariat of National Assembly
- Cabinet of Samdech Akka Moha Sena Padei Techo Hun Sen
- Cabinet of Samdech, His Excellency, Her Excellency, Deputy Prime Minister
- Per Article 106
- Royal Gazette
- Chronological documents