

PREAH REACH KRAM

No. NS/RKM/0814/021

We

**Preahkaruna Preahbath Samdech Preah Boromneath Norodom Sihamoni
Samanphoum Cheatsasna Rakhatkhateya Khemrarotheas Puthinthreathoreamohaksat
Khemreachnea Samohopheas Kampuchekreachroathboranaksanti Sopheakmonglea Sereyvibolea
Khemarasreypireas Preah Chao Krong Kampuchea Thipdey**

- Having seen the constitution of the Kingdom of Cambodia
- Having seen the Preah Reach Kret No. NS/RKT/0913/903 of 24 September 2014 on the Appointment of the Royal Government of the Kingdom of Cambodia
- Having seen the Preah Reach Kram No. 02/NS/94 of 20 July 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers
- Having seen the Preah Reach Kram No. NS/RKM/0196/18 of 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance
- Having seen the proposal of the Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia

HEREBY PROMULGATE

The Insurance Law as adopted by the National Assembly on 27 June 2014 at the second session of the fifth legislature of the National Assembly and as adopted by the Senate as to its entire form and legality on 21 July 2017 at the fifth session of the third legislature and whose meaning is as follows:

THE LAW ON INSURANCE

CHAPTER 1

GENERAL PROVISIONS

Article 1:

This law is intended to ensure:

- Sustainable development of insurance sector

- Public benefit of and confidence in insurance service
- Consistency with Insurance Core Principles (ICPs)
- Benefit of natural persons and legal entities as insured

Article 2:

The objective of this law is to:

- Strengthen the regulation and supervision of insurance business
- Regulate operation management and business of insurance
- Promote competition, integrity, and transparency in insurance sector

Article 3:

This law shall cover and apply to all insurance activities carried out in the Kingdom of Cambodia, unless otherwise exceptionally prescribed in Chapter 12 of this law.

Article 4:

Terminologies used in this law are defined as follows:

'Insurance' refers to the insurance contract whereby an insured, as contracted, pay the insurance premium to the insurer, and the insurer bears a liability to indemnify for property damage or loss caused by occurrence of possible accidents or when the insured sustains death, bodily injury, disability or sickness or when the insured reaches the maturity being agreed by both parties as specified in the insurance policy.

'Compulsory Insurance' refers to the insurance contract that the insured shall fulfill obligation to follow the rule and the provisions on insurance in order to protect and serve the public interest.

'Insurance Contract' refers to written agreement between insurer and insured in which insurer agrees to accept any specific risk, and in return receives premium paid by insured.

'Cover Note' refers to temporary insurance coverage, which is issued by an insurance company or insurance agent, rather than final insurance policy.

'Insurance Company/Insurer' refers to Life insurer, General insurer, Micro insurance company, and Reinsurance company.

'Insurance Institution' refers to insurer, insurance agent, insurance broker and insurance loss adjuster.

'Insurance Policy' is a legal binding document issued by an insurer stipulating major substance and detailed terms and conditions that are agreed between the insurer and the insured in the insurance contract. Insurance Policy shall be attached with insurance certificate or other related documents.

'Personal accident policy' means a policy providing fixed pecuniary benefits or benefits in the nature of indemnity or both against risks of the person insured sustaining injury or dying as the result of an accident.

'Premium' means the amount paid by an insured to an insurer under an insurance policy as consideration for the obligations assumed by the insurer.

'Transactional Fine' refers to monetary penalty against an insurer who acts in contrary to regulator's instruction.

'Policy owner' refers to a natural person or a legal entity who has legal title to an insurance policy.

'Insurance Certificate' refers to document issued by an insurance company to certify the fact that an insured has purchased insurance from such insurance company.

'Insurance Claim' means indemnity in cash or in kind or both paid by an insurance company.

'Provisional Administrator' refers to a temporary manager appointed by the Ministry of Economy and Finance to discharge duty in an insurance company prior to its liquidation in order to assess solvency situation of the company.

'Liquidator' refers to a natural person appointed by the Ministry of Economy and Finance or a court to settle debts when an insurer is liquidated.

'Insured' refers to a natural person or a legal entity that purchases an insurance policy, and in some cases an insured can be a policy owner as well as an insured person.

'Beneficiary' refers to a third party of a contract who is entitled to legal benefits from any insurance contract relating to only Life insurance.

'Applicant' refers to a natural person or a legal entity, who may become an insured in future, completes and signs on an insurer's written application form containing his/her personal information.

'Motor Vehicle' refers to a vehicle with engine which traffics on road or over a water route.

CHAPTER 2

COMPETENT AUTHORITY

Article 5:

The Ministry of Economy and Finance (MEF) shall be of **competence for issuing regulations, managing and supervising insurance business** in accordance with provisions of this Law.

Article 6:

MEF shall be of competence to establish and manage an Insurance Development Fund for the purpose of development, support and promotion of insurance industry and public awareness on the insurance benefits.

CHAPTER 3

INSURANCE CONTRACT

Section 1

General Concept

Article 7:

Insurance which is beneficial to either natural persons or legal entities being insured for all risks, whether life or general, over the subject matter shall be the subject of a contract made only with licensed insurers to underwrite insurance business in the Kingdom of Cambodia.

Article 8:

An insurance contract shall clearly define relationship between rights and obligations of the insured and the insurer. Insurance contract shall be in Khmer language as a base and shall be signed and thumb printed by both parties.

Article 9:

An insured and an insurer shall enter into an insurance contract based on the principles of honesty, mutual benefit, unanimity by way of negotiation, and non-affecting public interest.

Article 10:

The **insurer** shall **obligate to clearly** explain the **insured** about **term and conditions** of the insurance contract and the substance of insurance policy attached with the insurance certificate and/ or other related documents.

Article 11:

When a natural person or a legal entity applies for purchasing insurance which an insurer accepts such application, and both parties agree on terms and conditions of an insurance contract, such contract shall be deemed concluded.

Upon entering a contract, an insurer shall issue an insurance policy attached with an insurance certificate or cover note and/or other relevant documents to the insurance applicant. The insurance policy attached with the insurance certificate and/or other relevant documents shall specify the main terms and conditions agreed upon by both parties.

Article 12:

The insurance certificate shall contain the following particulars:

- Full name and address of the Insured;
- Person or subject matter to be insured;
- Types of risks to be covered;
- Commencement date and location of risk to be covered;
- Sum insured;
- Insurance premium and method of payment;
- Methods and conditions for declaration of risks;
- Term of contract and period of coverage; and
- Terms and conditions of nullification and forfeiture of rights under the insurance policy

and conditions allowing each party to terminate the contract before the expiration date.

Apart from the items specified in the above paragraphs of this Article, an insurance policy may also include other details and particulars as may be mutually agreed upon by the parties concerned.

Article 13:

Mutually insuring between an insurer and an insured is only specified in the insurance policy or cover note.

A proposal for renewal or modification or reactivation of a suspended insurance policy shall be deemed approved if the insurer has not refused such proposal within fifteen (15) days.

Article 14:

The period of insurance contract is defined in the insurance policy. Any additions to or modifications of the original policy shall be made by an additional contract signed by both parties.

Article 15:

The **insured** shall have an **insurable interest** from the **subject matter insured**.

An "insurable interest" means indemnity that depends on the insured subject matter.

An "**insured subject matter**" means any **property, body, and life**.

Article 16:

After an insurance contract is concluded, the insured shall pay the insurance premium as agreed in the contract.

Insurance shall be **effective** from date that an insured has paid premium as stated in the contract.

Article 17:

In the event that an insured fails to pay the insurance premium when due, the validity of insurance contract cannot be suspended for more than thirty (30) days from the date the insurance contract is signed.

The insurer shall notify through a registered letter or a letter duly acknowledged by the insured or policy owner to make premium payment at an agreed place within twenty (20) days after the insurance contract is concluded. If the insured or policy owner still fails to pay the premium within a period of ten (10) days after notification, the insurer shall have the right to cancel such insurance contract.

Article 18:

Any loss or damage arising out of the risks covered under the policy schedule shall be indemnified by the insurer. However, the insurer shall not indemnify for loss or damage caused by willful conduct or fraudulent acts of the insured.

The insurer shall also cover for loss or damage caused by persons being under responsibility of the insured, irrespective of the type or the seriousness of the case.

Article 19:

An insurance contract shall be cancelled if the insurer has found that the insured had concealed the truth, or willfully misrepresented material facts which may lead to any change of the insured subject matter.

Forgetful or unclear declaration by unintentional of the insured shall not be a ground for canceling the insurance policy.

Article 20:

When it is found that the risk is intentionally created by the insured, and the insurer has uncovered the fraud substantiated with proofs and evidences, the insurer shall have the right to refer the case to the court to void its liability or claim back any settled amount.

Article 21:

In liability insurance, if the insured causes loss or damage to a third party, the insurer shall directly indemnify to the victim.

Article 22:

In executing the insurance contract, each party shall have the right to terminate the insurance contract before expiration.

The terms and conditions for termination of contract shall be specified in the Sub Decree.

Section 2

General Insurance

Article 23:

General insurance is a contract of insurance between the insurer and the insured in respect of risks relating to property, liability and health. Types of general insurance product include property, liability and health insurance.

Property insurance is an insurance contract of indemnity to the insured when a loss or damage to property occurs. The claim amount paid by the insurer to the insured shall not be over the value of the subject matter insured as declared in the insurance contract, except as otherwise agreed by both parties. The types of products for example include buildings and ship.

Liability insurance is an insurance contract between the insurer and the insured whereby any third party that has suffered bodily injury or property damage caused by the acts of the insured shall be duly compensated. The products of liability insurance include motor vehicle, building construction liability, and passenger liability.

Health insurance is insurance that pays for treatment of injury, sickness or other medical expenses, for example long term nursing care to the insured relating to accident and or sickness.

Article 24:

In the event of total loss of the subject matter insured caused by a risk which had not been written in the insurance policy, then the insurance shall be legally terminated and the insurer shall refund the insured ninety percent (90%) of the insurance premium for the remaining period.

Article 25:

When the insurer has paid the claim, the Insured shall give the subrogation rights to the insurer to claim from the third party that caused the damage and claim for refund of the claim amount already paid. However, the insurer shall not claim against the descendants, ascendants, relatives by marriage, manager and workers or employees who are living in the residence of the Insured, except in the case that the insurer has uncovered the intention to fraud with proofs and evidences by anyone of them.

Section 3

Life Insurance

Article 26:

Life insurance is an insurance contract between insured and insurer which payment of policy moneys is insured on death or survival, including extensions of cover for personal accident, disease or sickness. The main types of life policies are term, whole life, endowment and annuity.

Term insurance is insurance payable to a beneficiary at the death of the insured, provided death occurs within a specified period, such as five or ten years, or before a specified age. If the insured still survive after the specified period as mentioned in the policy, none of benefits shall be provided to the beneficiary of the policy.

Whole life Insurance is an insurance contract which provides cover on the death of the insured person. Premiums may be payable for a specified number of years or for life. Whole life insurance may be for a fixed amount at a definite premium that is paid each year in the same amount during the entire lifetime of the insured. The Insurer shall provide a monetary benefit to a deceased's family or the designated beneficiary when the insured person dies.

Endowment insurance is a life-insurance payable to the insured if he or she is living on the maturity date stated in the policy, or to a beneficiary if the insured dies prior to that date.

Annuity is a contract that provides an income to the insured for life after retirement.

Article 27:

After claim payment for life insurance, the insurer shall not claim for any subrogation right from the contracting party or beneficiary for the purpose of suing any third party.

Article 28:

A person can purchase a life insurance for himself or for a third party subject to a written approval and indicating the exact amount of the sum insured.

A life insurance policy shall not be valid to the following persons:

- 1) A person has a functional nervous disease; or
- 2) A person who is hospitalized in a psychiatric hospital.

Article 29:

Other than the necessary terms and conditions specified in the insurance contract, a life insurance policy shall indicate the following:

- 1) Full name, date of birth of the applicant;
- 2) Full name of the beneficiary if specified;
- 3) Any events or terms providing for the refund of insurance premium; and
- 4) Conditions of exclusion if specified in the contract.

Article 30:

A beneficiary shall not benefit from the life insurance policy if the insured commits suicide.

Article 31:

A beneficiary shall not benefit from the life insurance policy if the beneficiary intentionally kills or conspires to kill the insured.

Section 4

Reinsurance

Article 32:

A reinsurance operation is a system of insurance in which the ceding company is insured by another insurance company either wholly or partly in respect of the risks accepted.

In the case of reinsurance, the ceding company still bears liability before the Insured.

CHAPTER 4

COMPULSORY INSURANCE

Section 1

Motor Vehicle Liability Insurance

Article 33:

A natural person or legal entity which owns and operates commercial motor vehicles in the Kingdom of Cambodia shall have to buy insurance from a licensed insurer for third party liability insurance against loss or damage to third party arising out of the motor vehicle operation, including all type of trailers.

This insurance is valid not only for the motor vehicle owner but also to the driver and the care taker.

Certain types of commercial motor vehicle, which is required to be insured, shall be defined in Sub Decree.

Article 34:

Other types of motor vehicles required to have compulsory insurance, except for motor vehicles prescribed in Article 33 of this Law, shall be defined in Sub Decree.

Article 35:

Any third party who has sustained bodily injuries and/or death caused by any insured motor vehicle shall be indemnified by the insurer in a timely manner and based on the extent of the damages.

Article 36:

This insurance shall at least cover the victims of the traffic accidents who sustain physical injuries, disabilities or death whether or not they were transported in the insured motor vehicle.

Section 2

Construction Site Insurance

Article 37:

A natural person or legal entity who is the constructor shall have to buy liability insurance.

At the commencement of project, the constructor shall be certified that they have purchased liability insurance policy from any insurance company.

Certain types of construction site, which is required to be insured, shall be defined in Sub-Decree.

Section 3

Insurance for Passenger Transport

Article 38:

A natural person or legal entity operating a passenger transport business using various means of transport shall be required to purchase passenger liability insurance from a licensed insurer covering passengers transported whether by road, waterway, air or railroad.

Certain types of passenger transport, which is required to be insured, shall be defined in Sub-Decree.

CHAPTER 5

MICRO INSURANCE

Article 39:

Micro insurance is a provision of insurance contract designed for the low income people with coverage such as micro insurance on property, micro life insurance, and micro insurance on bodily injury.

Article 40:

Micro insurance activities shall be defined in a Sub Decree.

CHAPTER 6

INSURANCE INSTITUTIONS & LICENSING

Section 1

Insurance Company

Article 41:

All insurers, whether state owned, private or mixed companies, shall be allowed to operate in the Kingdom of Cambodia only under the form of a public limited company.

Article 42:

A general insurer, life insurer and micro insurer may transfer its business either partly or wholly to a reinsurance company.

A reinsurance company may transfer its business either partly or wholly to another reinsurance company.

Article 43:

A public limited company may apply for insurance license to MEF to transact any of the following business:

- a) Life insurance;
- b) General insurance;
- c) Reinsurance;
- d) Micro insurance

A general insurer and life insurer may operate health insurance and micro-insurance businesses.

Article 44:

The minimum paid up capital required for general insurers, life insurers and reinsurance companies shall be defined by Sub Decree. However, the amount of the minimum capital shall be paid in Riel that is at least equivalent to 5.000.000 (five millions) SDR based on the exchange rate at the date of license granting.

The minimum paid up capital required for micro insurers shall be defined in Sub-Decree.

Article 45:

An insurer shall not delegate power of management, administration, settlement roles to any person who used to be imprisonment of criminal offense or misdemeanor.

Section 2

Insurance Agent, Broker and Loss Adjuster

Article 46:

An **insurance agent** is a natural person or legal entity **representing an insurer** to introduce **insurance sales**, prepare insurance contract, collect premium, and prepare for indemnification, based on a clearly specified framework of the agreement between the insurer and the insured. The insurance agent receives commission from the insurer it represents.

An **insurance broker** is a legal entity **working for the benefits of the insured**, providing **consultation service** and information relating to types of insurance, terms and conditions, and premium of the insurance contract; negotiating and preparing insurance contract between the applicant and the insurer; and **selling insurance contract** by receiving a **brokerage commission** in a legal manner from the insurer.

An insurance loss adjuster is a legal entity which is independent and has duties to inspect, verify, and assess the damage upon occurrence of risk, and publishes the assessment report of such damage based on which the insurer settles claim. Loss adjuster charges fee from the insurer according to mutual agreement.

Section 3

Licensing

Article 47:

Insurance Institutions operating insurance business in the Kingdom of Cambodia are required to obtain insurance license granted by MEF. The MEF has rights to approve or reject the application for insurance license within 90 days starting from the date of receipt of complete application documents.

Article 48:

The procedures and requirements for granting insurance license shall be defined in Sub-Decree.

Section 4

Financial Statements

Article 49:

Within three (3) months after the end of each financial year, or within addition period of time permitted by MEF, the insurance companies shall submit annual financial reports audited by a permitted auditor to MEF. The reports shall be in accordance with International Financial Reporting Standards, existing laws, and other relevant regulations.

The insurers shall publicly publish such annual financial reports in the summary forms determined by by MEF.

Article 50:

The insurance institutions shall submit financial reports and other documents as required by MEF.

CHAPTER 7

INSURANCE INSPECTIONS

Article 51:

The Minister of MEF shall have the right to nominate insurance inspection officers in order to monitor, research, examine, and promote the enforcement of this law.

Insurance inspection officers shall have right to inspect insurance companies and fulfill other tasks equipped by the MEF.

Insurance inspection officers have right to monitor, examine, research, and investigate any offences in insurance sector.

Article 52:

The insurance inspection officers shall have legal capacity as judicial police to inspect any offences prescribed under this law by executing it in accordance with provisions of the Penal Procedure Code.

The modalities and procedures of providing legal capacity to the insurance inspection officers shall be defined by a joint Prakas between the Minister of Justice and the Minister of Economy and Finance .

Article 53:

In the framework of operations related to supervision and investigation on any offenses as defined in this law, insurance inspection officers shall have power to check, collect evidence, call related person, and follow other procedures in accordance with regulation of Penal Procedure Code. In a necessary case where a suspect needs to be detained, insurance inspection officer shall, first, obtain permission from a prosecutor which can be even verbal.

All operations of insurance inspection Officers with regard to investigation of any offenses and detention of any suspect shall be performed in accordance with regulation of the Penal Procedure Code.

Insurance inspection officers shall have right to request assistance from sub-national administration and armed force unit or other competent authorities to jointly crack down on offences as defined in this law.

Article 54:

In the operation of law enforcement, insurance inspection officers shall wear uniforms bearing symbolic badge and rank badge and have permission letter.

Uniform, badge, and rank badge of insurance inspection officers should be prescribed by Sub-decree.

Article 55:

In the process of insurance inspection, if there is any evidence or verified result indicating such sale of an insurance product which is different from the declaration in the application for license, the insurance inspection officers shall have the power to take measures to temporarily stop such selling of product awaiting for resolution in accordance with effective procedures.

Article 56:

Any affected person disagreeing with any action taken by the officers may appeal to MEF within forty five (45) days from the date of the notice.

The MEF must make a decision within two (2) months from the date such complaining appeal is lodged.

In case that the person does not satisfy with the MEF's decision, that person has right to bring the appeal to a competent court.

Article 57:

The process and procedure of the insurance inspections shall be prescribed by Prakas of the Minister of Economy and Finance.

Article 58:

Insurance inspection officers performing their duties in good faith shall be protected by laws.

CHAPTER 8

Liquidation

Section 1

Voluntary Liquidation

Article 59:

An insurer may proceed voluntary liquidation only if it is sufficiently solvent.

Article 60:

An insurer which is sufficiently solvent can propose voluntary liquidation under the following circumstances:

- a) Expiry of the period of life time for the company or
- b) Decision of the ordinary general meeting or extra ordinary general meeting of the shareholders in accordance with the company's memorandum.

Article 61:

The Director may propose, or a shareholder who is entitled to vote at general meeting of shareholders may make proposal for, the voluntary liquidation and dissolution of Company.

Article 62:

Invitation letter on meeting of shareholders at which voluntary liquidation and dissolution is to be proposed may set out the terms and conditions for liquidation and dissolution.

Article 63:

After approval of a resolution to liquidate and dissolve from the shareholders, the company shall issue a statement of intent to dissolve to MEF.

Article 64:

After receiving application of voluntary liquidation and dissolve, MEF may issue the approval certificate to voluntary liquidation and dissolve to Company after finding principle reasoning.

Article 65:

After receiving the certificate, the insurer shall cease the issuance of new contract and transfer existing policies to other company before voluntary liquidation and dissolve.

Article 66:

The MEF shall appoint a qualified liquidator from the permitted list of liquidators approved by MEF.

Article 67:

The powers and duties of the voluntary liquidator are as follows:

- Legal representative of insurer to manage its business until the end of liquidation process;
- Rearrange financial statement to ensure actual situation of each related account as key basic for liquidation;
- Reconciliation of current and fix assets by inventory list and take action to maintain all those assets to ensure equality between shareholders and creditors;
- Public announcement about company's liquidation, for having ultimatum to each creditor to submit claims documents of its debit and If the creditors do not submit it by the specified date, they are considered as a waiver of their right to claim;
- Convene meeting with shareholders, creditors and related parties to approve the statement of accounts and to proceed with the business, for a purpose of making a decision;
- Notification of reject to any agreement or letter that companies did it in unusual or illegal before starting procedure of liquidation;
- Prepare list of debtors with involved amount including the shareholders if any, and try to recover the debts, even if they are not due yet;.
- Prepare list of creditors with involved amount including taxation money and salaries for employees under the existing laws;
- Liquidate assets of company by sale or other method;
- Pay debts in accordance with the order as prescribed in Article 86 of the law;
- Prepare balance sheet of liquidation and distribute as result of liquidation to its shareholders and liquidate all related accounts as end of the liquidation.

The Power and Duty of liquidator must be under monitoring and supervision of MEF.

The Minister of Economy and Finance have right to issue Prakas on Additional Powers and Duty of the liquidator.

Article 68:

For the voluntary liquidation, the liquidator shall follow the following procedures:

- Make announcement about the intention to dissolve the company for 2 (two) consecutive weeks in media published or distributed in where the company is registered, or other medias prescribed in the Internal Regulation of MEF.
- Convene meetings with shareholders, debtors and creditors either separately or jointly, as necessary;
- Within 15 days after the last meeting ended, the liquidator shall submit to MEF a report attached with minutes of the meetings, list of debtors, list of creditors, and the list of assets subject to the liquidation;

Only after getting approval from MEF, the liquidator can start performing his/her duties in the liquidation process.

- The liquidator shall submit a liquidation report and a notice of closure of liquidation to MEF within 7 (seven) days from the date when liquidation is complete.

Article 69:

MEF shall revoke the insurance license within 3 (three) months upon receiving the notice of the closure of voluntary liquidation.

Article 70

After the closure of the voluntary liquidation, the directors of the company shall make announcement about the dissolution to the company registrar of the Ministry of Commerce

After receiving the notice of closure of liquidation, the company registrar of the Ministry of Commerce shall issue a certificate of dissolution.

The company's legal personality will cease to exist from the date shown in the certificate of dissolution.

Article 71

During the process of voluntary liquidation, MEF or any affected person may appeal to a court to put such voluntary liquidation under the control of the court

Article 72

If the performance of the liquidator is hampered or interrupted by the insurance company, the liquidator may use their right to appeal to a court after informing the MEF.

Section 2

Provisional Administrator

Article 73

If the financial condition of an insurer is serious, MEF may appoint a provisional administrator for an initial period not exceeding three months to recover the company.

If necessary, the term of the provisional administrator may be extended for further 3 (three) months.

Article 74

MEF may appoint a professionally qualified provisional administrator from the permitted list approved by MEF.

Article 75

The provisional administrator shall have right to manage and direct the affairs of the insurer. The main duties include an assessment of the insurer's solvency and take prudential measures to recover the company's position and protect the interests of the public.

Article 76

The process of provisional administration shall be conducted in conjunction with Chapter 4 on effects of the opening of insolvency proceedings of the Law on Insolvency.

Article 77

If the assessment concludes that the insurer is solvent and able to comply with the legal and regulatory prudential norms, the administrator shall so report to MEF who shall lift the protective measures and puts the provisional administration to an end.

Article 78

If the assessment concludes that the insurer is solvent but not able to comply with the legal and regulatory prudential norms within a period not exceeding three months, the license may be revoked by MEF and the provisional administration shall be converted into voluntary liquidation.

The procedure of voluntary liquidation shall comply with the procedure in Section 1 of this chapter.

Article 79

If the assessment concludes that the insurer is insolvent, the MEF shall revoke the license and the provisional administration shall be converted into liquidation by court.

Article 80

If the performance of the liquidator is hampered or interrupted by the insurance company, the liquidator may use their right to appeal to a court after informing the MEF.

Section 3

Judicial Liquidation

Article 81

According to Article 79 above, MEF shall file a lawsuit to a court for the commencement of the judicial procedure of liquidation.

Article 82

The court shall choose a professionally qualified liquidator from the permitted list of MEF.

The Provisional administrator may also be chosen by the court as the liquidator.

Article 83

The court appointed liquidator shall liquidate the assets and compensate all liabilities of company under the supervision of the court and in compliance with the provisions of this law and the Law on Insolvency.

Roles and responsibilities of the provisional administrator in the liquidation stage shall be carried out by the liquidator as stipulated in the Law on Insolvency unless there is any separate provision stated otherwise in this law.

Article 84

If the duties of the court appointed liquidator are hampered or interrupted by the insurance company, the court appointed liquidator may use their right to appeal to the court.

Section 4

Common provision of Liquidation

Article 85

If committing criminal offence is found, MEF officers' in-charge or provisional administrator or liquidator shall immediately notify prosecutor or judicial police by providing information, record, letter, and any evidences related to the offence.

Article 86

The sequential order of debt payment shall be as follows:

- a) Remuneration and other expenses related to the provisional administration and liquidation.
- b) Claims by insurance claimants.
- c) Claims by insurance policyholders.
- d) Employee salary, administrative fees and court's fee, and other court's levies.
- e) Secured claims
- f) State taxes whose notice is not filed;
- g) All admissible unsecured claims.

Article 87

In liquidating an insurance company, which is either solvent or insolvent, the valuation of assets and claims including claims on insurance policy shall be undertaken in accordance with MEF's guidance.

Article 88

Remuneration and other expenses for the conduct of provisional administration or liquidation shall be based on prevailing professional fee rates and charged automatically to the insurer.

The Minister of Economy and Finance may issue a Prakas to govern the remuneration rates for the provisional administrators.

CHAPTER 9

MEDIATION OF DISPUTE

Article 89

For any dispute arising in relation to the conduct of insurance business, the disputing parties may bring the case to MEF for mediation before filing a lawsuit to arbitration or a competent court, except a criminal case.

Article 90

After receiving a complaint, MEF shall interrogate all affected parties of the dispute and try to mediate them based on effective laws and regulations.

The result of the mediation shall be kept in a record made by MEF stating whether or not both parties agree with the mediation. The mediation record must be signed by MEF's representative and both parties. A copy of mediation record must be provided to all parties concerned.

Any mediation agreement reached in the presence of MEF shall be immediately effective for execution.

Article 91

In the mediation process, if the MEF has uncovered the insured's mistake and the insured has admitted such mistake, all claims made by the insured in accordance with the terms and conditions specified in the insurance policy shall be deemed null and void.

Article 92

If the mediation has failed to resolve the dispute, MEF shall send such mediation report to arbitration tribunal or appeal to a competent court. The period for appeal to the arbitration tribunal or the court shall be 90 (ninety) days from the day the mediation failed to resolve the dispute, otherwise the right to appeal will be lost.

Such period for lawsuit to be filed to arbitration tribunal or a competent court shall be automatically finished if both parties have agreed in the mediation and the MEF has certified such agreement.

Article 93

The procedures for mediation process shall be defined in the Sub-Decree.

CHAPTER 10

DISCIPLINARY PUNISHMENTS

Article 94:

The MEF may impose disciplinary punishments on any licensed insurer if such insurer commits the followings:

- a) The insurer conducts its business operation in a manner detrimental to the interests of the insured, creditors, or the general public.
- b) The insurer increases its expense in an excessive manner as compared to the earned premium.
- c) The insurer does not commence insurance operations within 6 months after obtaining the license;
- d) The insurer has contravened any provisions of this law and other regulations pertaining to insurance industry.

Article 95:

The disciplinary punishments are as follows:

- a) Cease selling of new insurance policy.
- b) Stop approving new insurance activities or other acquisitions.
- c) Stop the insurer from conducting other activities if it is found that the financial condition is unsound.
- d) Restrict the disposal of assets;
- e) Partly or fully transfer the unexpired insurance policies,
- g) Remove directors and managers from their positions.
- f) Revoke the license of the insurer.

Article 96:

Procedure and level of punishments are defined by Prakas by Minister of Economy and Finance.

CHAPTER 11

PENALTIES

Article 97:

Any person owning a motor vehicle having no compulsory insurance in accordance with Article 33 and 34 of this law, and such motor vehicle is used on a public road in the Kingdom of Cambodia, shall be liable to a fine of 15,000 (fifteen thousand) Riels to 1,500,000 (one million and five hundred thousand) Riels, and such person shall be required to buy insurance for the motor vehicle.

Any person who is a constructor and commences a construction site without liability insurance in accordance with Article 37 of this law shall be liable to a fine of 1,500,000 (one million and five hundred thousand) Riels to 150,000,000 (one hundred and fifty million) Riels; and such person shall be required to buy liability insurance for the construction site.

Any person who operates passenger transport without passenger liability insurance in accordance with Articles 38 of this law shall be liable to a fine of 1,500,000 (one million and five hundred thousand) Riels to 150,000,000 (one hundred and fifty million) Riels; and such person shall be required to buy insurance for passenger liability.

Article 98:

Any person who delegates power of management, administration and settlement to any convicted person in accordance with Articles 45 of this law shall be liable to a fine of 10,000,000 (ten million) Riels to 50,000,000 (fifty million) Riels; and the license of such person shall be revoked.

Article 99:

Any person who conducts insurance business without license shall be liable to a fine of 50,000,000 (fifty million) Riels to 100,000,000 (one hundred million) Riels; and immediately cease such conduct of the insurance business.

In case the person has repeatedly committed such unlicensed insurance business, the following punishments shall be imposed:

- For a natural person, he/she shall be liable to a term of imprisonment of 1 (one) year to 5 (five) years, and a fine of 100,000,000 (one hundred million) Riels to 200,000,000 (two hundred million) Riels.
- For a legal entity, it shall be liable to a fine of 200,000,000 (two hundred million) Riels to 400,000,000 (four hundred million) Riels; and it shall not be allowed to conduct insurance business in the Kingdom of Cambodia for a specific period of time.

Article 100:

Any director, managing director and manager of an insurer, provisional administrator, and liquidator convicted of a breach of fiduciary duties or power abuse in executing own duties for the purpose of personal or third party's benefits or for the purpose of damaging an insurance

institution and its properties shall be liable to a term of imprisonment of 2 (two) to 5 (five) years and a fine of 10,000,000 (ten million) Riels to 50,000,000 (fifty million) Riels.

Article 101:

Any public servant or citizen publicly mandated by vote that hampers or interrupt the affairs of a insurance inspection officer shall be liable to a term of imprisonment of 2 (two) to 5 (five) years and a fine of 4,000,000 (Four million) Riels to 10,000,000 (Ten million) Riels.

Article 102:

Any person who commits a fraud in insurance industry shall be punished in accordance with effective criminal regulations.

Article 103:

Any person, conducting insurance business, who counterfeits documents, or publishes or disseminates false information which leads to public damages, or confuses relevant authority shall be punished as follows:

- For a natural person, he/she shall be liable to a term of imprisonment from 1 (one) to 3 (three) years, and a fine of 5,000,000 (five million) Riels to 150,000,000 (one hundred and fifty million) Riels.
- For a legal entity, it shall be liable to a fine of 10,000,000 (ten million) Riels to 300,000,000 (three hundred million) Riels.

Article 104:

Any person conducting insurance business who destroys evidence of insurance offence for the purpose of creating obstacle to the research activities of an insurance inspection officer or other competent officers shall be punished as follows:

- For a natural person, he/she shall be liable to a term of imprisonment of 1 (one) to 3 (three) years, and a fine of 5,000,000 (five million) Riels to 150,000,000 (one hundred and fifty million) Riels.
- For a legal entity, it shall be liable to a fine of 200,000,000 (Two hundred million) riels to 400,000,000 (Four hundred million) Riels.

Article 105:

Any person conducting insurance business who commits money laundering offence shall be punished in accordance with effective criminal regulations.

Article 106:

Any person conducting insurance business who discloses confidentiality of the insurance profession as determined by an insurance institution, whose benefit has been damaged by such disclosure, shall be punished as follows:

- For a natural person, he/she shall be liable to a term of imprisonment from 1 (one) month to 1 (one) year, and a fine of 5,000,000 (five million) Riels to 150,000,000 (one hundred and fifty million) Riels.

-For a legal entity, it shall be liable to a fine of 200,000,000 (Two hundred million) riels to 400,000,000 (Four hundred million) Riels.

Article 107

Any natural person who commits offenses as prescribed in article 100, 101, 103, 104, and article 106 of this law, a court can declare one or more additional convictions as prescribed in article 53 (type of additional convictions) of the Penal Code.

Any legal entity who commits offense as prescribed in article 103, 104, and article 106 of this law, a court can declare one or more additional convictions as prescribed in article 168 (additional convictions applied to a legal entity) of the Penal Code.

Contents, process, and procedure for the execution of these additional convictions shall be applied in accordance with regulations of the Penal Code.

Article 108

The MEF may determine and impose a transactional fine on any insurance intuition that does not comply with MEF's instruction.

Contents, process and procedure of transactional fine shall be defined by Prakas of MEF

Article 109:

Any offence which is not mentioned in this law shall be tackled in accordance with effective regulations.

CHAPTER 12

SEPARATE PROVISIONS

Article 110:

Insurance, which is beneficial to a natural person or legal entity being the insured for any risk, whether for life or general insurance, may be purchased at an overseas insurance company. This type of insurance contract shall be defined by Sub Decree.

Article 111

Motor vehicle liability insurance shall not apply to damages caused by any accident happening outside the geographical region of the Kingdom of Cambodia, unless there exists a bilateral or multilateral agreement stating otherwise.

CHAPTER 13

TRANSITIONAL PROVISION

Article 112:

Insurance license granted to all insurance institutions in accordance with the Law on Insurance promulgated by Royal Kram N° NS/RKM/0700/02 of July 25, 2000 shall be invalid until its expiration although this law has been applied.

Within 6 (six) months from the date this law is applied, any insurer having been conducting insurance business in the Kingdom of Cambodia shall satisfy the minimum paid up capital required under Article 44 of this law.

CHAPTER 14

FINAL PROVISION

Article 113:

The Law on Insurance promulgated by Royal Kram N° NS/RKM/0700/02 of July 25, 2000 shall be invalid from the date this law is applied except for the case stated in the Article 112 of the chapter 13 of this law.

Other insurance regulations issued in relation to the Law on Insurance promulgated by the Royal Kram N° NS/RKM/0700/02 of July 25, 2000 shall continue to be applied until new regulations exist for replacement, except for any regulation contradicting the spirit of this law.

This Law shall be applied within 6 (six) months after its coming into effect.

Article 114:

Any regulation that is contrary to this law shall be deemed as null and void.

Done at the Royal Palace, 04 August 2014
(His Royal Signature)
Norodom Sihamoni

PRL.1408.12028
Has informed to
His Royal Highness for signature
Prime Minister
(Signature)
Samdech Akka Moha Sena Padei Techo Hun Sen

Has informed to
Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister
Minister of Economy and Finance

(Signature)
Aun Pornmoniroth

No. 1023 SN
For Copy and Distribution
Phnom Penh, 07 August 2014
Secretary General of the Royal Government
(Signature and Seal)
Soy Sokha