



# Data Collection and Monitoring of Insurance Industry in Cambodia

By Than Seyla

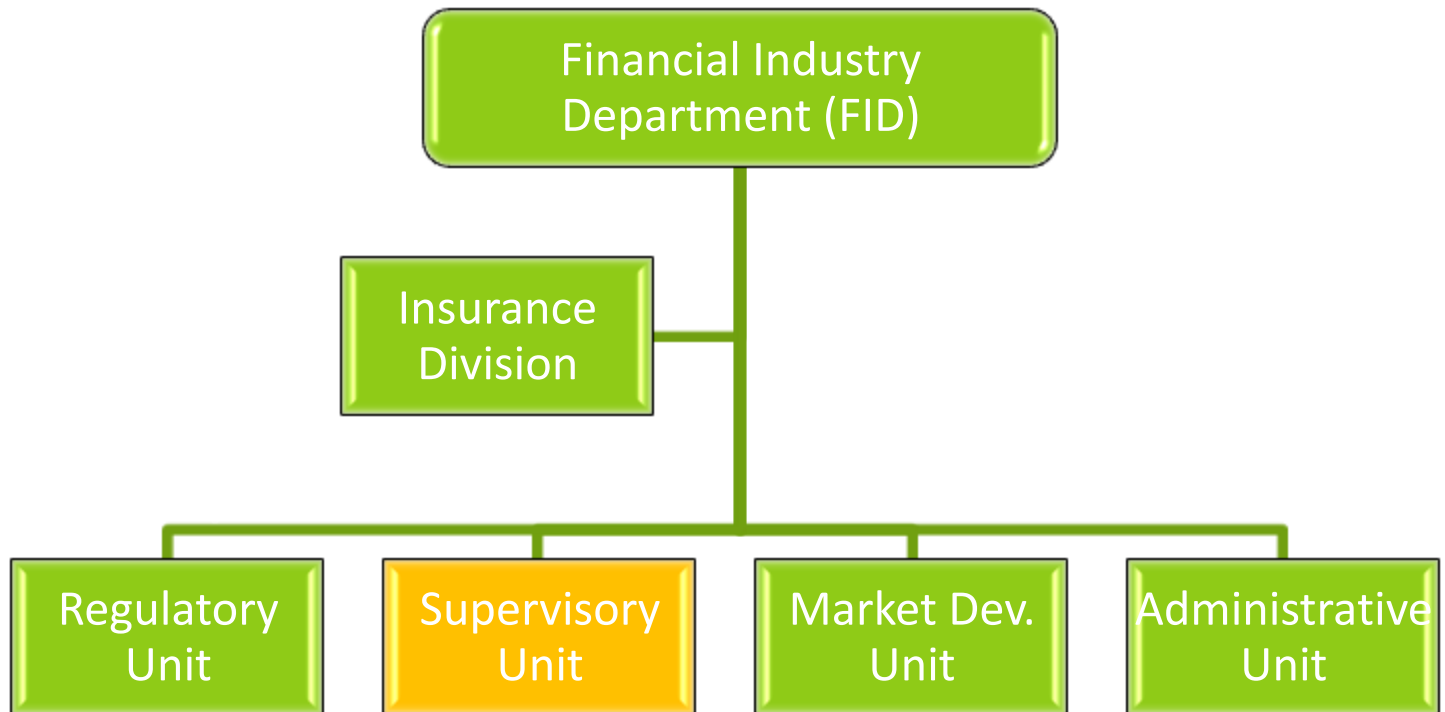
Official of Insurance Division,  
Financial Industry Department  
Email: [seyla\\_than9@yahoo.com](mailto:seyla_than9@yahoo.com)

2<sup>nd</sup> OECD-Asia Regional Seminar on Insurance Statistic  
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- I. **Overview of Current Insurance Industry**
- II. Data Collection Methodology
- III. Monitoring of Insurance Market
- IV. Conclusion

# I- OVERVIEW OF CURRENT INSURANCE INDUSTRY

## Organization Structure



# I- OVERVIEW OF CURRENT INSURANCE INDUSTRY

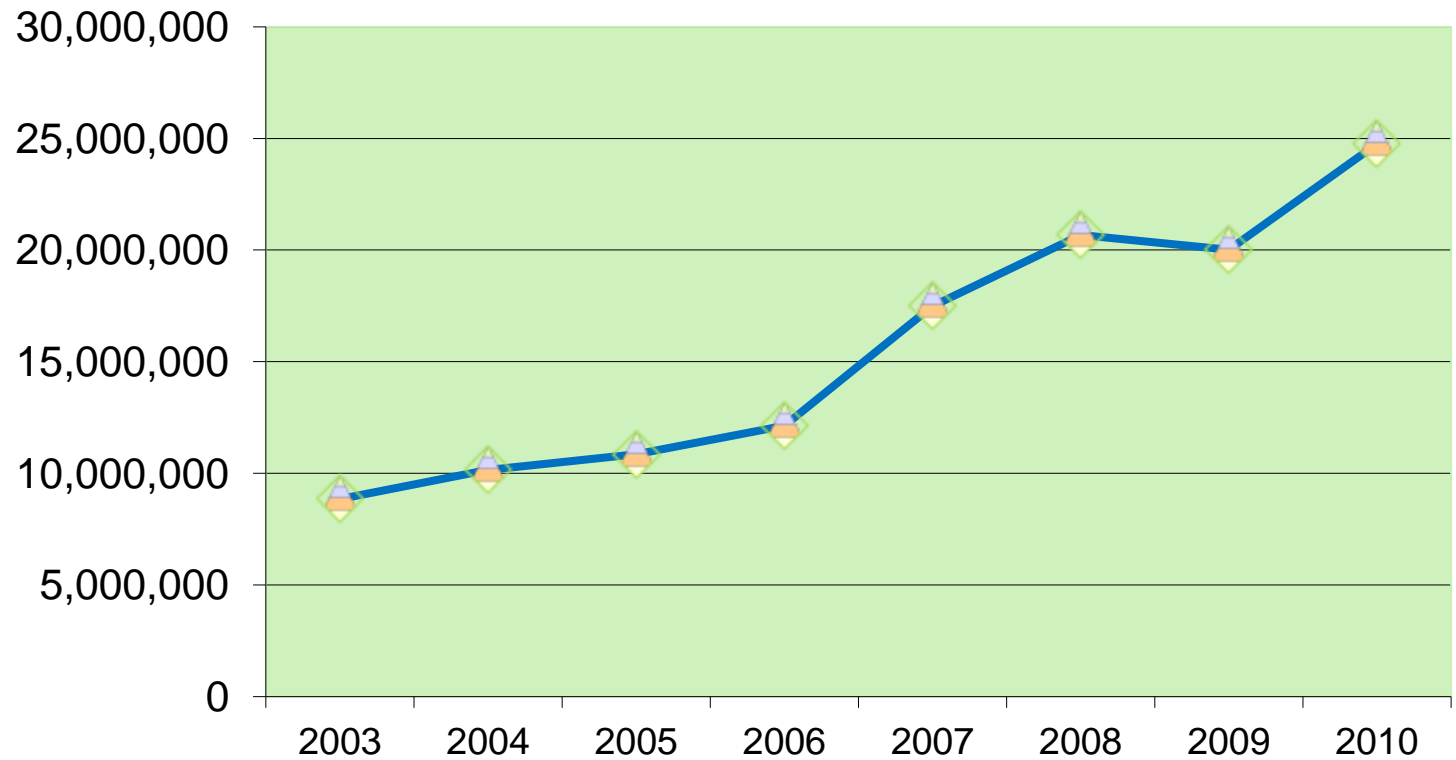
## Number of Insurance Company and Intermediary

Insurance Company and Intermediary	2010	2011
General Insurance Company	6	6
Reinsurance	1	1
Micro-insurer		1
Broker	1	1
Agent	1	2

# I- OVERVIEW OF CURRENT INSURANCE INDUSTRY

Trend of Gross Premium from 2003-2010

In US Dollar



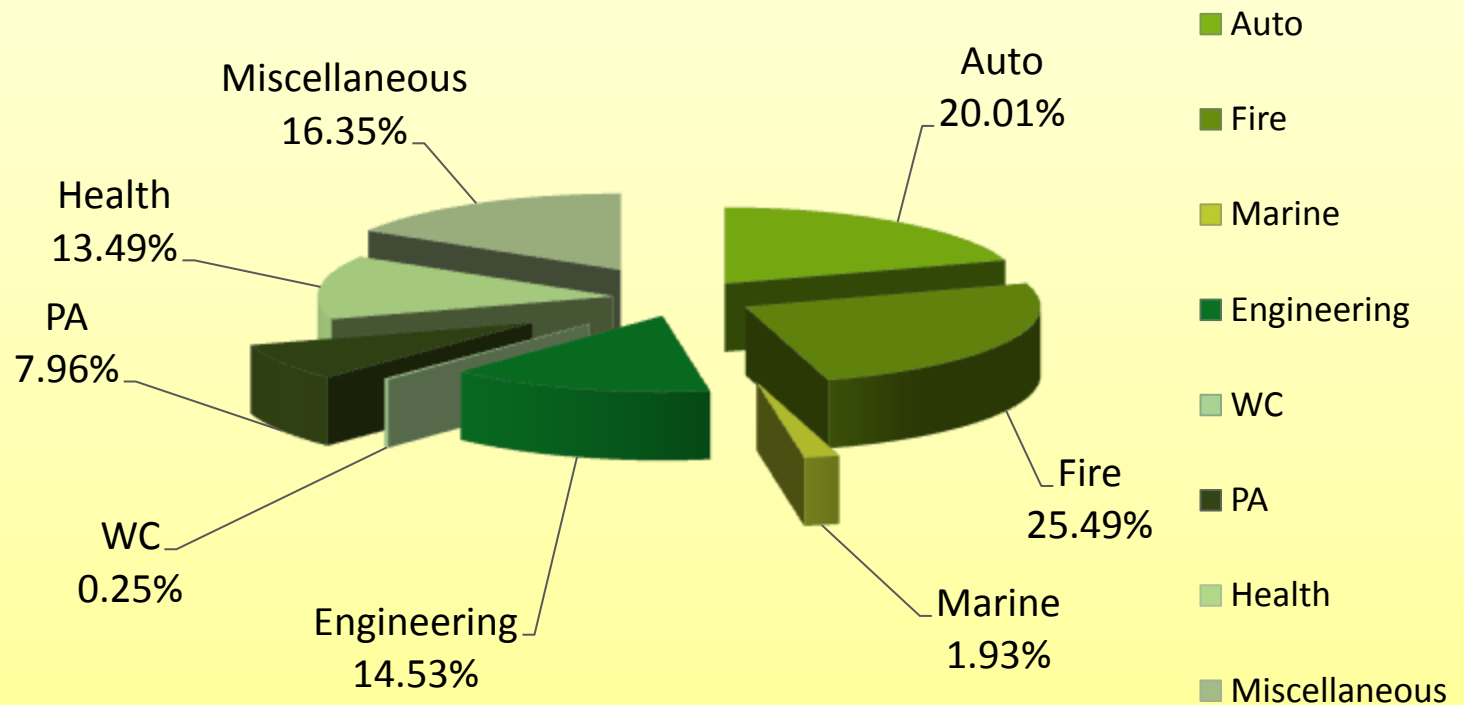
# I- OVERVIEW OF CURRENT INSURANCE INDUSTRY

## Gross Premium by Line of Business 2009-2010

Type of Insurance	2009	2010	Growth Rate
Auto	4,505,822.97	4,952,753.72	9.92%
Fire	6,112,678.83	6,309,080.90	3.21%
Marine	473,372.72	477,815.45	0.94%
Engineering	1,250,263.43	3,596,623.10	187.67%
WC	76,967.44	61,152.81	-20.55%
PA	1,653,877.87	1,970,321.90	19.13%
Health	2,752,072.64	3,339,083.23	21.33%
Miscellaneous	3,187,877.74	4,048,207.16	26.99%
<b>Gross Premiums</b>	<b>20,012,933.64</b>	<b>24,755,038.27</b>	<b>23.70%</b>

# I- OVERVIEW OF CURRENT INSURANCE INDUSTRY

## Distribution of Gross Premium by Line of Business in 2010



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# II- DATA COLLECTION METHODOLOGY

- ❖ According to article 96 of sub-decree, insurance company shall prepare business statistic in previous month and submit to MEF for examination at the beginning of following month. Each company shall submit following report:

## 1- Monthly and Quarterly Report

- ✓ Business Statistics by line of business : Number of policies, Gross Sum Insured, Net Premium, and Claims Paid.
- ✓ Claim Incurred
- ✓ **Bank statement**

## 2- Semi-Quarterly and Annually Report

- ✓ Business Statistics by line of business : Number of policies, Gross Sum Insured, Net Premium, and Claims Paid.
- ✓ Claim Incurred
- ✓ **Bank statement**
- ✓ ASEAN Statistic

## II- DATA COLLECTION METHODOLOGY

- ❖ Pursuant to article 95 of sub-decree on insurance and provision 2(1) of Prakas on Acc. guideline, each insurance company is required to submit **audited financial report** to MEF within 3 months (by 31 March) of following year. The format of financial report is based on the annex attached with Prakas on accounting guideline.
- ❖ Based on Prakas on Audited Financial Statement Disclosure, each company is required to made public its audited financial statement consisting of balance sheet and income statement on daily newspapers by 31 June.

## II- DATA COLLECTION METHODOLOGY

### Source of Data

**Insurance  
Division**

**General  
Insurance  
Association of  
Cambodia**

1. Most of insurance statistic are incorporated in annual insurance report. They are available at Insurance Division and used as official data.
2. Data can also be received from General Insurance Association of Cambodia. However, it is very limited and less official.

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## III- MONITORING OF INSURANCE MARKET

### Regulatory Framework

- Law on Insurance adopted 20 June 2000
- Sub Decree on Insurance adopted 22 October 2001
- Prakas on accounting guideline for general insurance business.
- Prakas on Audited Financial Statement Disclosure
- A series of Regulations have put in place to complements its Law and Sub Decree

### Institutional Framework

- Insurance Division of FID, assigned to be a regulator to regulate and supervise over insurance industry in Cambodia
- Conduct Off-site and Onsite-inspection to ensure sound operation in insurance industry
- To ensure the financial soundness and solvency of the insurers.

### Market Development

- Develop and Public annual insurance report
- Consolidate Asian Statistic and submit to Asian SEC.

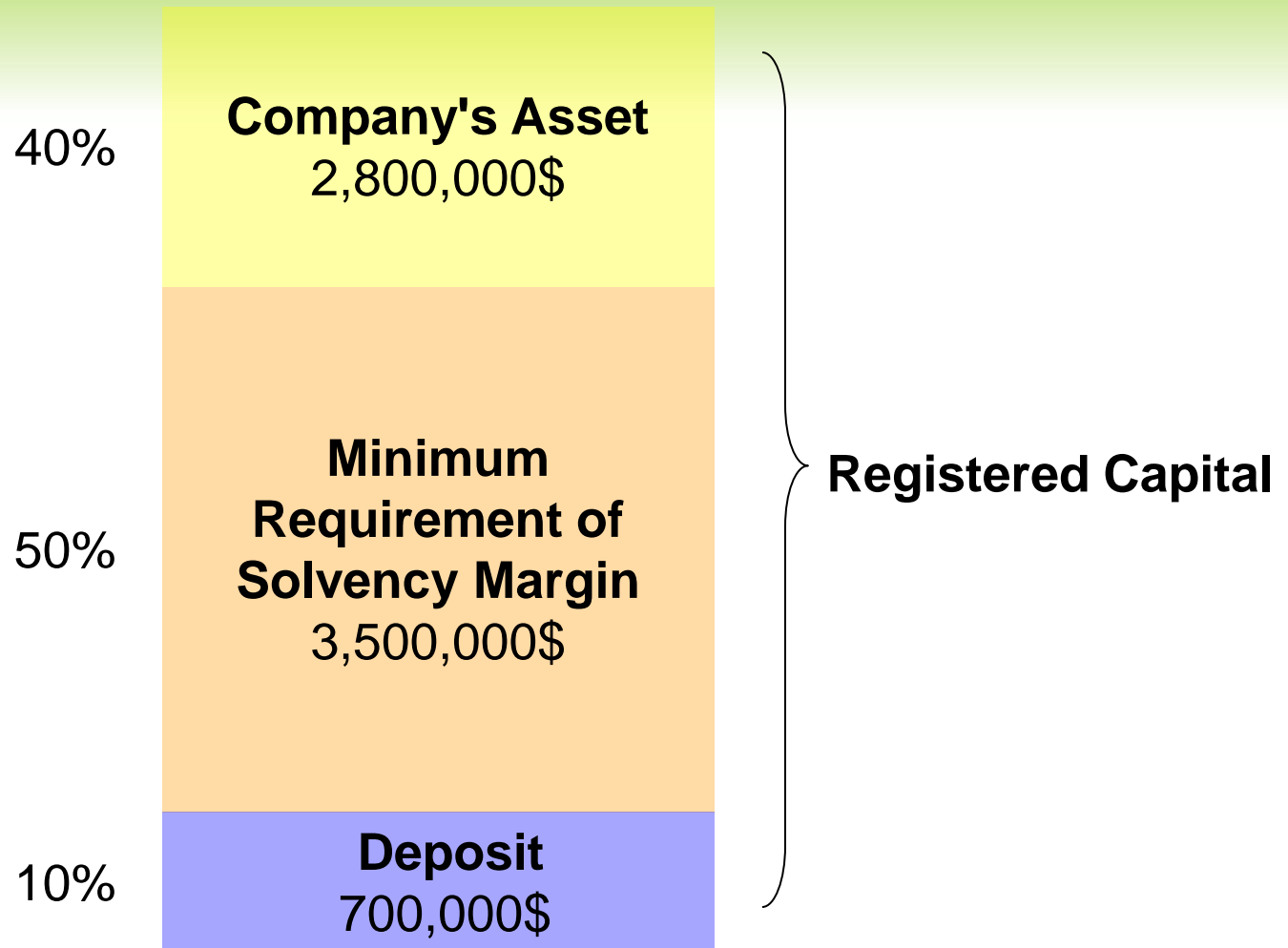
### III- MONITORING OF INSURANCE MARKET

- ③ To conduct examination after receiving monthly, quarterly, semi-quarterly and annually report from insurer and make recommendation to the management.
- ③ To conduct off-site analysis based on annual financial reports of all insurance firms and to complete the analysis by end of April each year.
- ③ The off-site analysis shall include various financial ratios and provide appropriate recommendations based on the results of the ratio analysis.

### III- MONITORING OF INSURANCE MARKET

- ① To conduct on-site inspection of all insurance companies either on a focus or full scale inspection depending on the situation.
- ① Supervisor has its own Manual on Off-site & On-site review of General Insurers.
- ① Cambodia doesn't have any Early Warning System Software to prevent insolvencies for insurance industry.
- ① To ensure the solvency of insurer, supervisor has to examine the companies' Bank Statement every month.

### III- MONITORING OF INSURANCE MARKET





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# IV- CONCLUSION

- ⊙ The insurance industry in Cambodia is still small and growing. The potential for growth of insurance is good.
- ⊙ Only general insurance business is operating. The micro-insurance is already launched in this year. The life insurance will be introduced soon.
- ⊙ Due to the size of market is small, current monitoring and data collection methodology are suitable to supervise the market. However, there is a lack of capacity building in field of market analyzing.

# IV- CONCLUSION

- ⊙ So far, there is no plan to revise the data collection method. The collection of statistic might be changed upon proposal or the development of insurance industry.
- ⊙ In the future, as the insurance market grows, regular needs to consider to operate the “**Early Warning System**” software. Meanwhile, regulator will review the existing solvency framework and consider to develop the **Risk Based Capital**.



Thank for your attention