

Kingdom of Cambodia
National Religion King

Royal Government of Cambodia

- Ministry of Economy and Finance
- Ministry of Public Works and Transport
- Ministry of Tourism
- Ministry of Interior

No. 653 PRKr.SHV.SK.TC.MP

Phnom Penh, 16th October, 2002

Inter-ministerial Prakas
On
Compulsory Motor Vehicle Third Party Liability Insurance
Ministries
Of
Economy and Finance – Public Works and Transport- Interior

- Referring to the constitution of Kingdom of Cambodia
- Referring to Royal Decree N^o NS/RKT/1198/96 dated 25 November 1998 on nomination of Prime Minister of the Royal Government of Cambodia.
- Referring to the Royal Decree N^o NS/RKT/1198/72 dated 30 November, 1998 on formation of Royal Government of the Kingdom of Cambodia
- Referring to Preah Reach Kram N^o NS/RKM/0196/08 dated 24 January 1996 Promulgating of the law on formation of the Ministry of Interior
- Referring to Preah Reach Kram N^o NS/RKM/0196/18 dated 24 January 1996 on Promulgation of the law on formation of the Ministry of Economy & Finance
- Referring to the Preah Reach Kram N^o NS/RKM/0196/18 on January 24, 1996 promulgating the law on establishment of the Ministry of Economy and Finance.
- Referring to Preah Reach Kram N^o NS/RKM/0196/03 dated 24 January 1996 promulgating the law on establishment of the Ministry of Public Works and transport
- Referring to Preah Reach Kram N^o NS/RKMV/ 0196/15 dated 24 January, 2000 promulgating the law on Insurance
- Referring to Sub-Decree on Insurance N^o106 ANKr.BK dated 22 October, 1996 Promulgating the law on establishment of the Ministry of Tourism
- Referring to Preah Reach Kram N^o NS/RKM/0700/02 dated 25 July, 2000 Promulgating on the law.
- Referring No. 106 RNKr/Bk dated 22 October 2001 on the insurance
- Pursuant of the proposal of the Ministry of Economy and Finance

Item 1

An insurance company that writes compulsory motor vehicle third party liability insurance shall be liable to settle insured claim arising from traffic accidents caused by the insured vehicle.

Item 2

The following types of land vehicles must be covered by compulsory third party liability insurance:

- All types of commercial motor vehicles carrying goods and passengers in the Kingdom of Cambodia.
- All type of motor vehicles owned by a company, enterprise, or factory.
- Motor vehicles of Non-Government Organizations, International organizations and association.
- Motor propelled or towed cement mixers.
- Motor tricycles used for the transport of goods or passengers.

Item 3

Maximum compensation for Third Party Liability set as follows:

A/ For the vehicle with four wheels or more

- US dollars 5000.00 is minimum compulsory compensation for bodily injury or death of third party per person
- US dollars 25, 000.00 is minimum compulsory compensation for bodily injury or death of third party per accident
- US dollars 10, 000.00 is minimum compulsory compensation for damage of third party's property

B/ For the vehicle with less than four wheels

- US dollars 5000.00 is minimum compulsory compensation for bodily injury or death of third party per person
- US dollars 12, 500.00 is minimum compulsory compensation for bodily injury or death of third party per accident
- US dollars 5, 000.00 is minimum compulsory compensation for damage of third party's property

Section: 4

Vehicles owners who purchased compulsory motor vehicle third party liability insurance must pay the insurance premium accordingly to the terms agreed to with the insurance company. Insurance premium payment can be made in cash, check or account transfer. Once an accident occurs, the vehicle owner or operator must immediately notify the insurance company. With the period of 5 days at the latest from the date of the accident, the vehicle owner or operator must provide written claim notice to the insurance company.

The insurance company shall, on behalf of vehicle owner or operator, indemnify accident victims up to level of compensation agreeable to both parties and within the limit of the insurance policy or cover note.

Section: 5

Under the compulsory motor vehicle third party liability insurance the insurance company shall not be liable provided that:

- The driver does not have a valid license for the type of vehicle being operated.
- The driver is actually drunk and found to have 80 grams or more of alcohol from 1 liter of blood or is under drug intoxication based on and expert medical or hospital

report attached with the insurance company's claim report or a provincial, municipal land traffic police report.

- The loss concerns passenger and the owner or operator failed to have the required compulsory passenger liability coverage.
- The Department of Financial Industry of the Ministry of Economy and Finance certified the insurance policy is illegal

Section: 6

All insured vehicles must have insurance stickers stuck on the front windscreen of the insured vehicle. The stickers must identify the insurers and indicate the expiration date of the insurance.

Section: 7

The insurance company shall have the following duties:

- To cooperate with the Department of Financial Industry of the Ministry of Economy and Finance to develop a public education and advertisement programs so that all the vehicle owners are informed about and purchase the compulsory motor vehicle third party liability insurance required.
- To settle claims and indemnify the victims on behalf of the insured vehicle owner or operator within ten (10) days, at the latest, after having received the completed claim documents, traffic police report unless the insurer find out that no insurance coverage exists or the compensation is not reasonable.
- To produce reports and statistics concerning insurance business to the Department of Financial Industry of the Ministry of Economy and Finance.
- To provide notice to the appropriate Ministry of Transport and the Ministry of Economy and Finance that issued the owner operators license whenever any required compulsory motor vehicle third party liability insurance is cancelled by the insurer for non-payment of the premium or for some other breach of the insurer's obligation
- To develop and educate driver on traffic accident prevention

Section: 8

Once a traffic accident occurs:

- The parties involve in the accident shall make a written report to the insurer indicating the cause of the accident.
- In case an agreement can not be reached, the parties in dispute shall have to seek Intervention from the traffic police so that they can investigate the cause of the accident
- The provincial and municipal land traffic police shall have to make report of its accident investigation and properly draw up a sketch of the accident scene and submit them to the insurance company within 48 hours from the date of the accident so That the insurance company may have a basis for settling the claim and determining the Loss within policy coverage .
- Should the accident take place in a remote are without available traffic police, the Vehicle owner or driver must contact the competent territorial police, and ask them to cerify the accident report.
- In case that the insured vehicle is suspended by traffic police, the vehicle will be released after receiving formal letter from insurer which is allowed to operate in the Kingdom of Cambodia

Section:9

Upon granting any new license or renewal thereof to owners or operator of all types of vehicles listed in Section 2, the General Direction of Transport or Provincial-Municipal department of Public Works and Transport shall require evidence that the vehicle owner or operator has purchased the compulsory motor vehicle third party liability insurance .Owner or operators holding existing license for vehicles requiring compulsory motor vehicle third party liability insurance when this Prakas goes into effect shall have 60 days to furnish the General Direction of Transport of Provincial-Municipal Department of Public Works and Transport with evidence of the required insurance. If the vehicle owner or operator fails to get the required insurance the foresaid authorities shall temporarily suspend the applicable license and technical certificate until the vehicle owner or operator can provide evidence of the required insurance.

Section 10:

The provincial and municipal land traffic police must strictly check to see that all vehicles required to have compulsory motor vehicle third party liability insurance have a valid insurance sticker stuck on the front windscreen in order to find out which vehicles do not comply with this requirement. In case that a vehicle is found not covered under this obligatory insurance, the owner or operator shall be subject to a fine as stated in article 52 of the insurance law. The traffic police must:

1. fine and instruct the vehicle owner to buy insurance within 7 days at least
2. suspend transportation operation permission and technical certificate in case that the owner does not accept the above instruction
3. if still not accepted, the vehicle is temporally suspended until the owner can provide third party liability insurance certificate on time

Section: 11

The Ministry of Public Works and Transport shall inspect technical certificates and transport license of every motor vehicle in order to keep order and traffic safe on the public roads.

The Ministry of Tourism shall be responsible for inspecting owner's document and means of transport for their clients and ask for valid insurance and also be responsible for issuing tourism license and educating tourist industry on compulsory insurance for their client to make sure all the insurance agent use transportation means with insurance.

If the owner fails to provide compulsory insurance, he will be fined as stated article 52 of insurance law and the tourist license will also be suspended.

The Ministry of Interior is responsible for pushing all type of vehicle owner to have technical inspection and insure that they apply for transport license at the Ministry of Public Works and Transport in a bid to prompt vehicle owner or operator to have third part liability insurance in the Kingdom of Cambodia.

The Ministry of Economy and Finance shall be responsible to supervise and push for a prompt and fair claim settlement to victims injured by the insured vehicle

Section: 12

Any regulation contradicting this inter-ministerial Prakas shall be deemed null and void to the extent of such contradiction.

Section: 13

All concerned authorities or organizations relating to these four Ministries shall respectively and affectively implement this Prakas from the date of its signature