



**KINGDOM OF CAMBODIA**  
Nation Religion King

ROYAL GOVERNMENT OF CAMBODIA

-Ministry of Economy and Finance  
-Ministry of Land management  
Urban Planning and Construction  
-Ministry of Interior

Phnom Penh, 16 October,  
2002

N° 655 PRK.SHV-DNS - MPH

**Inter-ministerial Prakas**  
on  
**Compulsory Insurance for Construction Site**

**Ministries**  
of  
**Economy and Finance-Land Management Urban Planning and Construction-Interior**

- Referring to the constitution of Kingdom of Cambodia
- Referring to Royal Decree N° 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°NS/RKT/1198/72 dated 30 November, 1998 on formation of Royal Government of the Kingdom of Cambodia
- Referring to Preah Reach Kram N° 02/NS/94 dated 20 July 1994 on promulgation of the Law on organization and Functions of the Council of Ministers
- Referring to Preah Reach Kram N° NS/RKM/0196/08 dated 24 January, 1996 promulgating the law on formation of the Ministry of Interior
- Referring to Preah Reach Kram N° 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° NS / RKM / 0699 / 09 dated 23 June, 1999 promulgating the implementation of Law on formation of the Ministry of Land Management Urban Planning and Construction
- Referring to Sub Decree on Construction Permission N° 86 ANKr.BK dated 19 December, 1999
- Referring to Preah Reach Kram N° NS/RKM/ 0700/02 dated 25 July, 2000 promulgating the Law on Insurance
- Referring to Sub Decree on Insurance N° 106 ANKr.BK dated 22 October, 2001

- Pursuant of the needs of the Ministry of Economy and Finance  
Hereby decides

**Section: 1**

The Insurance for Construction Liability is intended to protect the interests of third parties living on or around, passing by, or crossing over a construction site. All physical or legal persons acting as contractors or sub-contractors shall bear liability for accidental bodily injury, death or damage to property of third parties caused by the construction activities.

**Section: 2**

All constructions, rehabilitation of existing constructions, and installations that are under the responsibilities of entrepreneurs, contractors or sub-contractors shall purchase construction liability insurance.

The following construction types are exempted from the compulsory insurance requirement:

- Construction performed by a government organization;
- Constructions, rehabilitation of existing constructions, and installations that are under the responsibilities of a legal person engaged in a public works for the interest of the public if the Ministry of Economy and Finance and the Ministry of Land management Urban Planning and Construction confirm quick and adequate settlement of any liability;
- Small scale construction which does not require a construction permit.

**Section: 3**

The minimum amount of third party construction liability insurance coverage shall be as follows:

- \$5,000 at minimum per person for bodily injury or death,
- \$25,000 at minimum per occurrence for bodily injury or death,
- \$10,000 at minimum for property damage,

**Section: 4**

Upon the authorization of a private construction project, the Ministry of Land Management Urban Planning and Construction and the Provincial-Municipal Department of Land Management Urban Planning and Construction and Cadastre shall be responsible for advising the construction project owner to contract only with a contractor or sub-contractor that has the required construction liability insurance. The construction site shall not be allowed to open until the required insurance is in place.

**Section: 5**

For the construction projects not exempted under Section 2 that are funded by the government budget or assistance budgets, the successful bidder must submit, together with the bidding documents, the insurance cover note issued by any insurance company authorized to write construction insurance in the Kingdom of Cambodia confirming that the required insurance is in place. If the bidder fails to attach the cover note, the bidder shall not have the

