



# newsflash

May 2021

A scenic photograph of Angkor Wat in Cambodia at sunset. The sun is low on the horizon, creating a bright starburst effect and casting a golden glow over the scene. The silhouette of the temple's towers is visible against the sky. In the foreground, a pond is filled with lotus leaves and several bright pink lotus flowers in bloom.

Welcome to Sovannaphum Life,  
the IGP Network Partner in  
Cambodia

# Cambodia

## Profile on Social Security and Employee Benefits

Cambodia today is synonymous with progress. A prolonged period of political and social stability since the Paris Peace Accords of 1991 has provided the basis for rapid economic development. Since the early 2000s, Cambodia's average economic growth rate has been among the highest in the world; the success of its garment and footwear industry, its attractiveness to tourists and the growth in construction have driven a transformation of the economy, increasing the role of the industrial sector and reducing agriculture's contribution to GDP and employment. This change in the structure of the economy has generated large-scale migration from rural to urban areas which, together with a rapid growth in the size of the working-age population, has transformed the labor market.

In 2016, Cambodia crossed the middle-income threshold, marking the transformation from a largely agrarian economy to the latest Asian Tiger. At the same time, Cambodia recorded one of the world's most impressive declines in poverty over the past decade.

### Social Security: NSSF

The National Social Security Fund (NSSF) is a public administration institution that ensures the basic income security of workers in the private sector in Cambodia. The NSSF registers the members, collects contributions, manages the NSSF finances, implements and provides the benefits to the employees or beneficiaries.

As of 2015, there were 8.35 million workers in Cambodia, 49% of which were in paid employment. The remaining 51% are predominantly self-employed (the so-called informal economy) and thus are legally excluded from current social security benefits. According to the "Operational Review of the Cambodian NSSF", published in November 2017 by the International Labor Organization (ILO), the NSSF has 1.1 million members under its Employment Injury Insurance (EII) branch, or 13% of all workers in Cambodia. However, a decision to allow enterprises with less than 8 workers to register has expanded legal access to an additional 3 million workers. Over 70% of insured workers are female, owing to the size of the garment sector.

### Demographics

	Cambodia	Thailand	USA
Total population (millions)	16.24	69.42	326.68
% 65 or older	4.5	11.9	15.8
Dependency ratio (%) *	55.6	40.8	52.7
Life expectancy / men	67.3	73.2	76.1
Life expectancy / women	71.6	80.7	81.1
Statutory pensionable age / men	60	60	66
Statutory pensionable age / women	60	60	66
GDP per capita (USD)	4,360	19,051	62,794

\* Population aged 14 or younger plus population aged 65 or older, divided by population aged 15–64

Source: S Latest available data based on World Bank, World Development Indicators, available at <https://databank.worldbank.org/reports.aspx?source=world-development-indicators#>

### 1. Occupational Risk Scheme

Employment injury includes work injury, commuting accident and occupational diseases. Health facilities, polyclinics, or general practitioners are recognized by the National Social Security Fund.

All employees of the companies registered in NSSF, are entitled to the following benefits in case of employment injury:

- Emergency Services
- Medical Care and Treatment
- Temporary Disability Benefits
- Permanent Disability Benefits
- Funeral Allowance
- Survivors' Benefit
- Rehabilitation Services

Contributions to NSSF for occupational risk are borne only by the employer.

### 2. Health Care Scheme

The Health Care Scheme refers to the provision of health claims prevention service, medical care service, and daily allowance in case of medical treatment or other nonoccupational accidents and maternity leave.

The NSSF members have entitlement to access medical care services free of charge at health facilities that have signed the agreement with NSSF.

Health Care Benefits include:

- Medical Care Services
  - Inpatient service
  - Outpatient service
  - Physiotherapy and kinesiotherapy services
  - Delivery and prenatal and postnatal services
  - Rehabilitation service
- Patient or Victim Referral Service and Corpse Transportation
- Daily Allowance: in case of absence due to sickness, accident, or maternity leave with prescription for over 7 consecutive days, the member will receive 70% of his/her contributory wage.
- Health Claims Prevention Service



Cambodia

### 3. Pension Fund Scheme

Due to the increasing dependency ratio, there is a need to implement a pension system which is expected to be in place in the course of 2021. The population of Cambodia is expected to continue growing for the next 60 years, while fastest growth will be in the population aged 60 and above.

## Employee Benefits in Cambodia Matter

Many employers have started to think more about the employee benefits by taking up additional group insurance. This is reflected in the growth of group insurance business in the market. The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve staff retention across the organization.

Typically, the following tools are implemented to increase awareness and manage & prevent claims:

- Provide Group EB talks during member education sessions on an annual basis
- Medical underwriting to mitigate high risk members.

## Typical Employee Benefits in Cambodia

- Group Personal Accidents
  - Death
  - Permanent disability
  - Dismemberment & loss of sight
  - Medical Expense
- Group Hospitalization and Surgical Insurance
  - Hospital Room & Board
  - Intensive Care Unit
  - Hospital Supplies & Service
  - Surgical Fees
  - Operating Theatre Fees
  - In Hospital Physician Fees
  - Pre-Hospitalization Diagnostic Services
  - Pre-Hospitalization Specialist Fees
  - Follow-up Medical Treatment & Services
  - Emergency Accidental Outpatient Treatment
  - Government Hospital Daily Cash Allowance
- Group Life Benefits
  - Death
  - Permanent and Total Disability
  - Hospital Daily benefit
  - Group Critical Illnesses

## COVID-19 Situation & Vaccination Planning

Per April 2021, the World Health Organization (WHO) in Cambodia warned that the Covid-19 situation in Cambodia reached a critical point, as cases surged. The February 20 outbreak has been the country's third and longest instance of community transmission Cambodia has faced since the pandemic began.

Per May 8, 2021, more than 1.7 million people have been vaccinated (10.4% of population). The Cambodian government's priority in the early stages of vaccination roll-out is to vaccinate (1) frontline health employees, (2) those at high risk of COVID-19 exposure or (3) those who are likely to develop serious illness due to COVID-19.

The arrival of additional vaccine doses will be a significant further step towards achieving Cambodia's goal of vaccinating 10 million people. Cambodia is among the first countries to receive COVID-19 vaccines via the COVAX program (a global initiative aimed at equitable access to COVID-19 vaccines, led by UNICEF, Gavi, the Vaccine Alliance, the World Health Organization, the Coalition for Epidemic Preparedness Innovations, and others). Cambodia is expected to receive doses for 20% of the total population (an estimated 7 million doses) from COVAX, with further batches continuing to arrive throughout the year.

### Sources:

- <http://www.nssf.gov.kh/default/employment-injury-scheme-2/> (The National Social Security Fund (NSSF))
- "Operational Review of the Cambodian NSSF", published in November 2017 by the International Labor Organization (ILO)
- Social Protection System Review of Cambodia © OECD 2017
- Our World in Data - <https://ourworldindata.org/covid-vaccinations?country=KHM>



# New Network Partner in Cambodia:

## Sovannaphum Life Assurance Plc.

### Sovannaphum Life: IGP's Local Link in Cambodia

Sovannaphum Life Assurance Plc. (SVL) is a joint venture Company between Canadia Investment Holding PLC., the holding Company of Canadia Bank, and Muang Thai Life Assurance PCL (the IGP Network Partner in Thailand).

Sovannaphum Life Assurance Plc. was granted full license as a life insurance Company by Ministry of Economy and Finance on 24 December 2015, and started operations in 2016. With strong support from both shareholders, plus the use of "customer centricity" to understand the behavior of the Cambodian customers, SVL develops the right products and services to fulfill the specific need of Cambodian customers.

### Group Benefits Offered by SVL

Currently, there are two primary products:

#### 1. Group Life Insurance, which includes

- Death Benefit
- Disability Insurance TPD Rider
- Hospital Daily Benefit Rider
- Critical Illness Cost Protection Rider

#### 2. Group Life Accident Protection, which includes

- Accident Death Benefit
- Dismemberment, or Loss of eyesight, Hearing or Speech Benefit
- Total Permanent Disability Benefit (TPD) Caused by Accidents
- Medical Expense Benefit– can be added as a possible rider

All group coverages listed above can be included in IGP International Accounts.



### Sovannaphum Life: Your Best Choice in Cambodia

- **Vision** - Be a leader in life assurance business by providing the best protection and services through innovative products, professional advices, service excellence and multi-distribution channel.
- **Claim Service** - Strong commitment in claims service to handle all claim settlements efficiently, fairly and quickly. SVL is a local life insurance that is here for every Cambodian, for Cambodia.
- **Insightful Benefits** - Always listen, understand and provide one-stop service with comprehensive product package meeting the needs of employee benefits.
- **Innovative Solutions** - Attain continuous growth through the innovative employee solution products.
- **Trust** - Life insurance services that are backed with a strong legacy that you can trust to protect your wealth & company's goal.
- **Stability** - High financial stability and strong shareholders: CIH - the largest financial group in Cambodia, and MTL - a leading life insurance company providing an excellent life insurance service for seven decades in Thailand.

### SVL's Response to COVID-19

SVL continues to provide full coverage to the employer and its employee for any claim related to COVID-19 to ensure protection is available for SVL's customers.

For more information, please contact your IGP Account Manager or...

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