

**FORTE**  
INSURANCE  
We build confidence



Corporate Profile

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## Corporate Profile

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## Managing Director's Review

I would like to take this opportunity to thank everyone who has contributed to the success of Forte Insurance over these past few years.

Year 2004 was an extremely productive year for us as we saw our premium income increase by almost 40%. Our share of the insurance market increased to 44%, and in certain classes of insurance, we dominated the market. We issued about 85% of the market's CAR policies, 73% of the market's PROPERTY AND FACTORIES policies and we are projecting to increase our revenue by another 40% for Year 2005 and achieve a growth in premium writings of about 35%.

Our significant increase in profits is a result of our ability to attract and maintain clients in targeted industries as well as our prudent underwriting and claims management. We have also enlarged our network of reinsurers,

giving us the largest capacity of any insurer in the Kingdom of Cambodia.

Forte is continuing to be a proactive partner with the Ministry of Economy and Finance ("MOEF") in all aspects of the development of the insurance industry. The milestone for Year 2005 is the development of human capital. We see the development of human resource as an integral factor in the development of the insurance industry in the Kingdom of Cambodia.

Forte, together with the Malaysian Insurance Institute ("MII") and Bank Negara, and with the cooperation of the MOEF, has successfully implemented professional insurance examinations in Cambodia. Students will now be able to develop skills and knowledge in insurance at international standards leading to an MII diploma and subsequently leading to ACII professional degree.



Our prudent business management and efforts allow us to maintain a leading position and set the pace for the insurance industry in the Kingdom of Cambodia. Our belief and work in developing human capital will ensure that we remain the premier and best skilled insurance company for a long time to come.

CARLO CHEO  
AMII ASII ANZIIF  
(Snr. Assoc.) CIP

### FORTE INSURANCE'S MISSION STATEMENT

*WE build confidence and trust in our insurance products through constant client focus and transparency, personalised yet efficient service, and continuous professional development of our staff.*

*We build confidence*

## Here and Now

Forte Insurance, is today the foremost provider of insurance cover in Cambodia. We entered the market in pursuit of a clear vision for both the company and the industry – insurance that is competitive while respected for integrity, high standards and transparency. To achieve this we had to develop and implement a blueprint for growth focused on local needs and driven by international best practices. The blueprint is becoming reality sooner than expected; accomplished with a breadth of talent and expertise, coupled with a consistent allegiance to our clients.

When Forte officially opened the doors for business in Phnom Penh in late 1999, we were in competition with three other insurance providers already well established in the industry. Arriving with a capital of \$2.5 million and led notably by the first fully qualified insurance professional in Cambodia, our confidence in Forte's unique position and vision led quickly to success. With support from an international network of credible reinsurers, Forte soon distinguished itself by developing a sophisticated range of locally focused insurance products.

Recognising the need for credibility in the insurance market in Cambodia, Forte has led the building of quality credentials for the industry. We first set about increasing general awareness of the value of insurance and trust in the process of its provision. Secondly, we undertook an unequivocal focus on the specific insurance needs of our customers in Cambodia. By offering an efficient, high quality, transparent service and tailor-made insurance products (rather than generic, imported ones) we have established a firm reputation as a trusted and reliable company.

As business and consumer interests in Cambodia grow and expand, so naturally will the market and value of insurance. With continuous commitment and dedication to client servicing, a growing team of over 50 professionals, a global network, and an ever-increasing product range; Forte aims to maintain the position of Cambodia's premier insurance provider.

*Forte Insurance has risen to market leadership in Cambodia in just **4** years since 1999*



*We have always loved a challenge*



## Our Clients

Forte's primary objective has always been to draw confidence and trust from our customers. Our clients have rightly come to expect professionalism, efficiency and reliability from our service. Our goal is not only to meet these expectations, but to exceed them and provide assurance, trust and unmatched value for money.

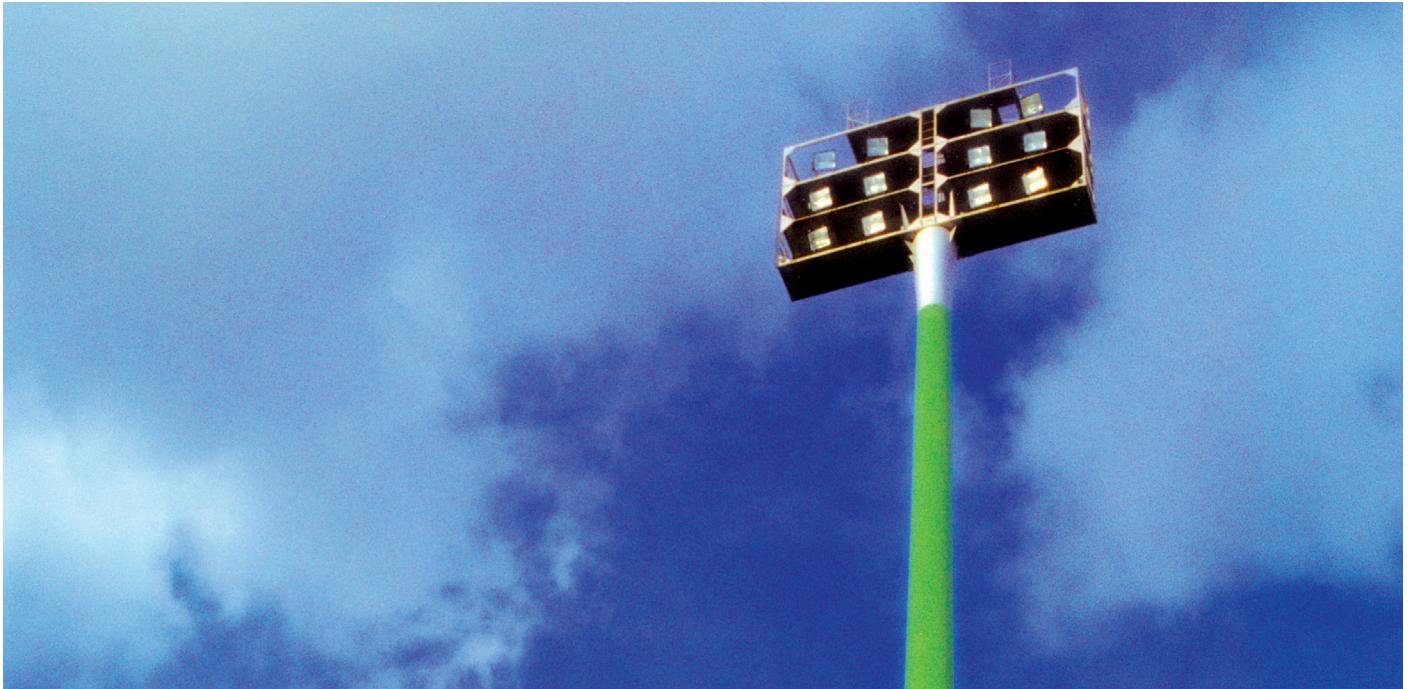
We have always placed high priority on pinpointing the precise insurance needs of our customers. Our staff continually build and shape a unique customer knowledge and insight. This approach gives us the ability to adapt to and even anticipate potential demands for new products and services. By keeping close ties with our clients and constantly introducing new lines, we offer them value added products to suit their needs as they evolve.

Through our close proximity to clients in Phnom Penh, Sihanoukville and Siem Reap, we achieve depth and adaptability in the services we provide nationally. With the additional local knowledge and flexibility provided through our extensive network of agents, our customers are guaranteed empathy, efficiency and personalised service at all times.

The vital ingredient in drawing trust from

Cambodia's emerging consumer market is transparency in our product offering and professional practices. We assure customers of the value of insurance through consistent reliability combined with an informative and understandable approach in our marketing and customer services. We aim for complete satisfaction and have achieved enviable customer loyalty, evident in our customer retention average which consistently exceeds 94%.

*Forte consistently achieves a customer retention average in excess of 94%*



*We work even harder the bigger we get*



## Our People

At Forte our people have always been our main asset and we recognise that their constant professional development is critical to our continued success. We are committed to providing the highest quality service to our customers in Cambodia and trust in the credentials and professionalism of our people is essential to this. To realise this ambition we provide international standard training and development to our staff, making certain that they are well equipped with superior skills, knowledge and professional ethics.

Through our international network, we frequently invite overseas insurance experts to deliver training sessions, and our management team is encouraged to broaden their knowledge and experience by participating in regional insurance conferences. By bringing internationally recognised standards and practices to the insurance industry in Cambodia, Forte has led the progress towards an exceptionally world class service.

The effective utilisation of information technology is also of vital importance to our high levels of service. Our administrative process is subject to continual refinement and streamlining to maximise efficiency and reliability. The maintenance of sound infrastructure and leading edge technology gives our staff the administrative platform to provide such service levels.

The devotion of our people to the vision and excellence Forte sets out to accomplish is central to everything we achieve. We pride ourselves on the solidarity and dedication shown by our staff in all departments. From the efficiency and speed of our claims department, who call upon our impartial loss adjusters within 1 week of a claim; to our business development team who relentlessly scrutinise the suitability of our products in line with changing needs. Everyone at Forte adds the distinctive extra touch that sets our service apart.

Forte's **50+** full time staff attend an average of 20 seminars for training and development each year



*We see the world differently each day*



## Our Community

A strong sense of corporate social responsibility has always compelled Forte to give something back to the neighbourhood in which we live. In our various roles including insurer, investor, employer and consumer, we recognise our responsibility to work in partnership with the communities in which we operate. We believe contributing to the development and success of these communities is a fundamental part of our success and we encourage our business partners to strive for matching performance in this area.

We have been actively participating and sponsoring community programs in Cambodia since inception. Forte is currently the principal supporter of a Japanese NGO, OISCA Cambodia, and have so far initiated the Children's Forest Program, a unique tree-planting campaign utilizing school systems to instill in children the importance of a sustainable environment. In 2000, Forte donated clothing and USD\$15,000 to the Queen's Foundation and the Cambodian Red Cross for flood relief victims. An active proponent of education for the youth, we have also assisted in building classrooms for school children in Siem Reap province. To ensure a promising future for the

Cambodian insurance market as a whole, we have openly imparted some of our knowledge and expertise to our counterparts within the industry. With the aid of overseas experts Forte has objectively assisted the government with the formation of current Insurance Law and provided extensive professional insurance training to government staff.

In June 2005, Forte formed a strategic alliance with the Malaysian Insurance Institute to introduce and conduct professional insurance examinations in Cambodia. With this landmark partnership, Forte reasserted its commitment in developing and nurturing a progressive insurance industry by creating a pool of insurance practitioners who strive for the highest standards of professionalism and service to its customers.

Through sponsorship and investment, Forte has also sought to aid the revival of Cambodia's business and cultural self-belief. As an example of this outlook Forte launched a landmark TV show in 2004, 'Building Your Confidence', promoting the heroes of the nation's ongoing development from all walks of life. Utilising a weekly chat show format, the nationally broadcast program

*Forte has donated more than \$100,000 to local development projects and charities*

welcomes notable Cambodians for interviews, to share their stories of trials, tribulations and triumphs. The program's growing popularity is testament to its aim of raising motivation, hope and confidence in its viewers.



*We work, we live and we play*



## Our Products

Forte has always focused on what is appropriate for Cambodia. For example, we maintain a policy of short tail liability, whereby we settle customers' claims within a limited time from the date of the claim. This is because we understand that the Cambodian environment is not currently conducive to long-term liability.

This viewpoint stretches to all segments of our business strategy. We are continuously researching the needs of the market and the suitability of products for Cambodian people. We have a department of homegrown professionals that are dedicated to dealing with development of existing products and research for new products. All products on offer are solely Forte branded and developed, especially for the needs of Cambodia.

In understanding the insurance needs of Cambodia, we would need an in-depth understanding of the business environment. After a period of struggle, the business sector has shown tremendous development over the past 5 years, yet it is still relatively young and fragile. Forte fully appreciates that every business has its own characteristics and independent requirements. Generally, what is needed is confidence, assurance of growth and the scope to envision the future.

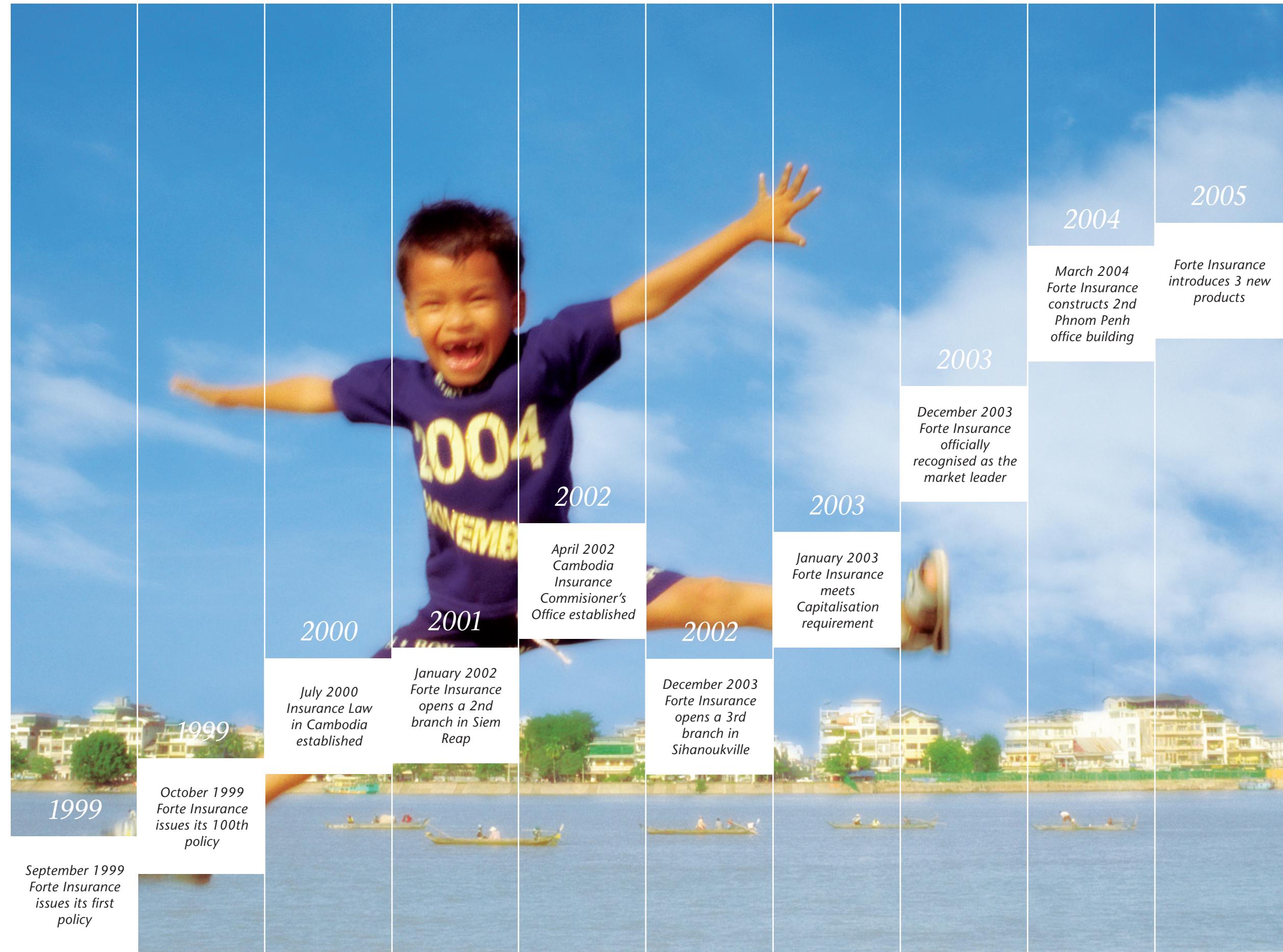
*Forte currently offers a selection of over **30** types of insurance products serving more than 3,000 clients*



*We all need protection at some point*



## Milestones



## Future Goals and Strategies

Forte recognises the changing needs of Cambodia's emerging market for insurance. We envision stable growth of commercial and corporate demand as the legal requirement for insurance logically progresses to further areas of mandatory status. The stabilisation of the business environment in Cambodia additionally signifies increase in volume as more businesses mature and expand. The rising wealth and sophistication of consumers indicates high potential for growth in this area also. The relatively untapped consumer market is growing rapidly and we are responding by creating new product lines and developing our customer services.

The constant alertness in our client focus will remain fundamental to our portfolio mix, while higher volumes will allow room for increased refinement and sophistication of our product lines. In addition we anticipate an increase in our underwriting capacity and retaining reinsurance placements within Cambodia. We are already advancing towards a full range of insurance products catering for specialised areas such as small businesses, students, homeowners; and more generally in areas of banking, energy, manufacturing and farming.

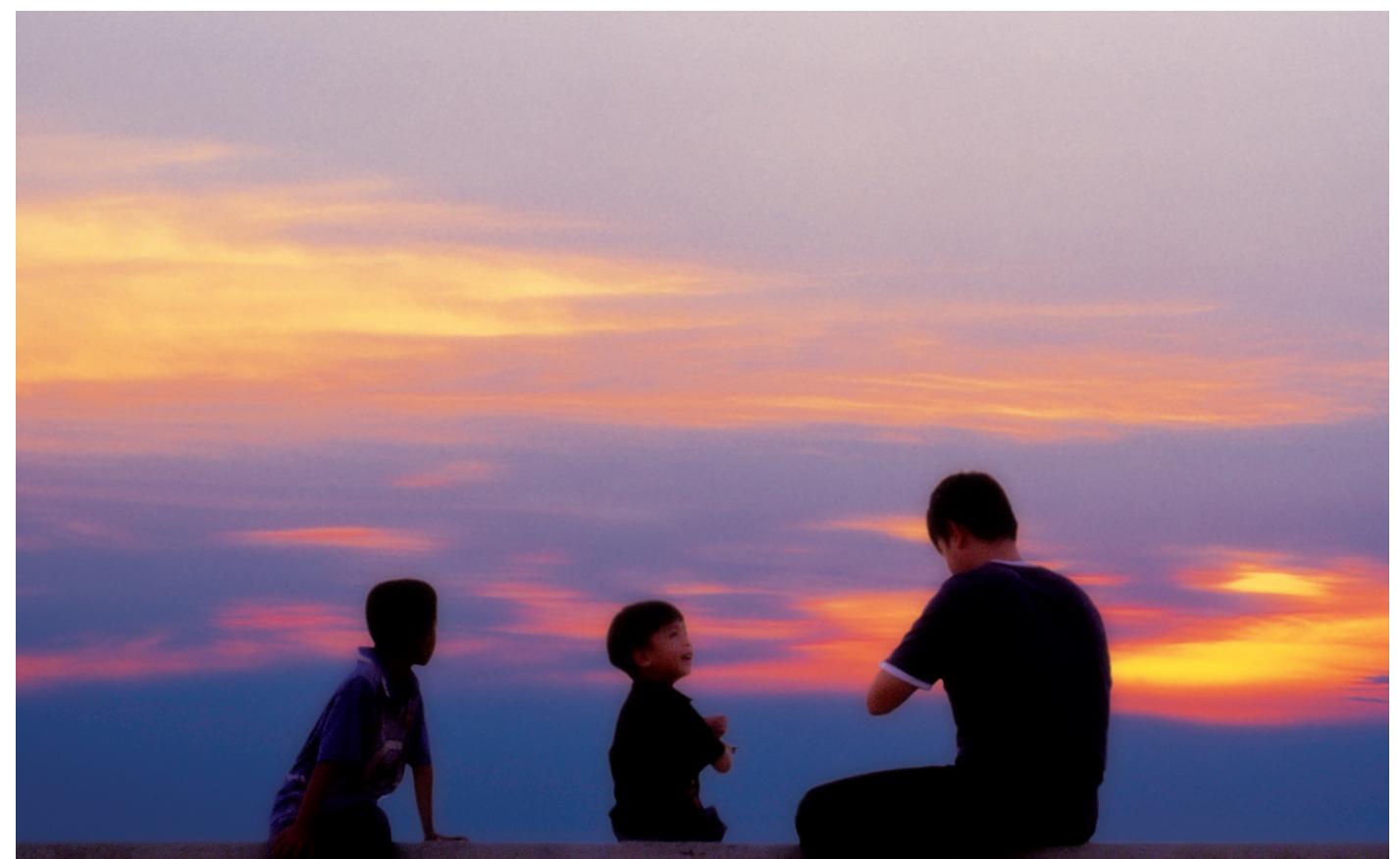
*Forte aims to maintain a steady growth rate of **40%** per year*

Internally, we will continue to foster the excellent standards of our staff through ongoing professional training and development. The effective utilisation of information technology is also of vital importance to our service levels and capacity. We will continue to apply the latest technology to provide the best administrative platform possible for preserving efficient, reliable service to our clients.

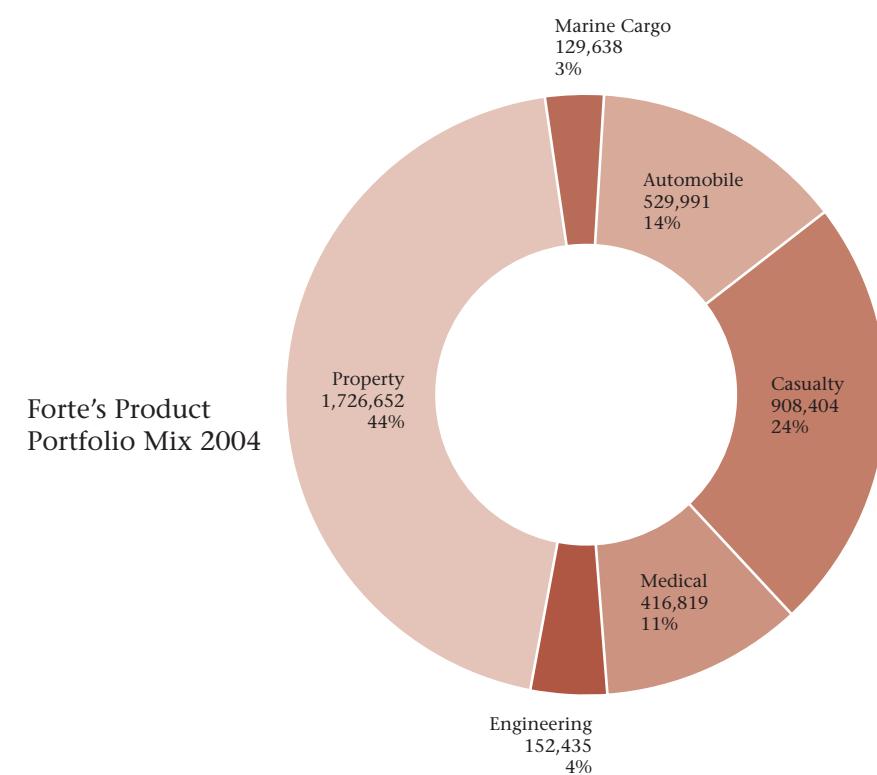
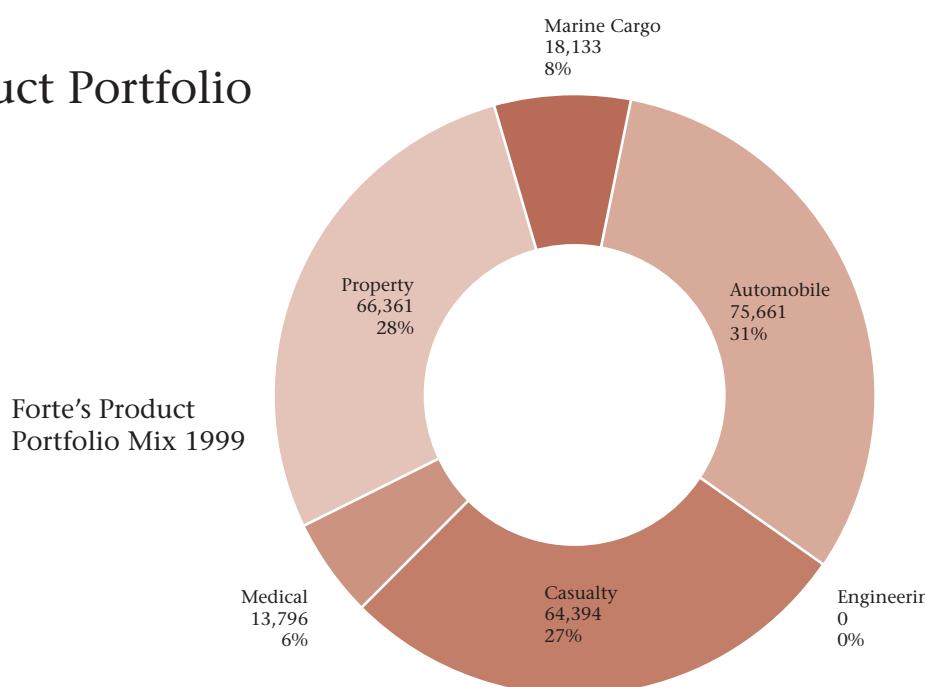
Increased demand will naturally lead to increased competition; however we remain intent on retaining Forte's number one position and escalating market share still further. Our continual commitment to trust and transparency and the development of leading edge products will remain at the forefront of our offering; underpinned by high quality, professional service, reliability and efficiency. By also conducting our business in a professional, ethical and responsible manner, we believe we can build confidence and sustain growth (for ourselves, our partners and our customers) for many years to come.



*We like to see things fly*



## Product Portfolio



Forte strongly believes that in a rapidly changing market like Cambodia's, product lines have to be expanded and new ones introduced, to cater to the changeable needs of such a market. In 1999, at Forte's inception, it offered a total of 15 products forming total gross premiums of \$238,345\*. In a short space of 4 years, Forte had more than doubled the number of products by 2004 and earned total gross premiums of \$3,863,939.

At Forte, we seize the benefits of moving alongside, if not ahead of, the emerging Cambodian market. We have already gained rewards in terms of sales volumes, new business and renewals, and market share. We continue to see significant opportunities to develop our products. We especially have strong positions in many market segments where the government is likely to impose insurance laws.

Forte's extensive range of products is divided into general insurance products and specialised insurance products. Following is a brief overview of some main product areas:

### General Insurance

#### Personal Accident

provides compensation for death, disablement, or medical expense occurring to an insured person as a result of an accident.

#### Hospital and Surgical

covers hospitalization costs due to an illness or accidental injury.

#### Fire Insurance

indemnity to the insured property against loss or damage by fire and lightning, and additional perils can be added to a basic policy cover.

#### Burglary Insurance

indemnity to the insured property stolen from premises.

#### Motor Vehicle

covers the insured's motor vehicle against third party liability and vehicle damage.

#### International Health Plan

provides insurance within the terms of the policy, in respect of treatment of medical conditions (including those arising as a result of an accident) which occurs during the period of cover in Cambodia and overseas.

### Specialised Insurance

#### All Risks

provides cover for any unforeseen and sudden physical loss or damage from any cause other than those specifically excluded.

#### Fidelity Guarantee

indemnity against all direct loss of money or other property belonging to the insured or for which the insured is legally responsible as a direct result of any act of fraud or dishonesty committed by any insured employee.

#### Product Liability

protects the insured against legal liability for injury to third parties or loss or damage to property arising out of any goods sold, supplied, repaired, serviced or tested by the insured.

#### Public Liability

protects insured's legal liability and legal liability of employees and representatives, for death, sickness or accidental injury to third parties or loss or damage to property belonging to third parties.

#### Professional Indemnity

Indemnity against all sums which the insured becomes legally liable to pay for compensation as a result of breach of professional duty by reason of any negligent act, error or omission committed or alleged to have been committed on the part of the insured happening in connection with the insured contract including claimant's cost and expense.

#### Money Insurance

all risks cover for money on the insured's premises or whilst the money is in transit.

#### Boiler Explosion

indemnifies insured in respect of damage (other than fire) to any boiler or pressure vessel and surrounding property including third party liability caused solely due to explosion or collapse to the property insured whilst in the course of ordinary working.

#### Erection and Contractor's All Risks

indemnity against physical loss of or damage to the property insured as a result of unforeseen and sudden cause and cover

respect of accidental bodily injury (including death or disease) to third party, and accidental loss or damage to property belonging to third parties, happening in connection with the insured contracts during the period of insurance including claimant's cost and expense.

#### Machinery Breakdown

indemnity against loss of or damage to the insured machinery plant caused by sudden, unforeseen incident, errors and lack of skill or negligence whilst either at work or rest and during cleaning, inspection and overhauling.

#### Electronic equipment

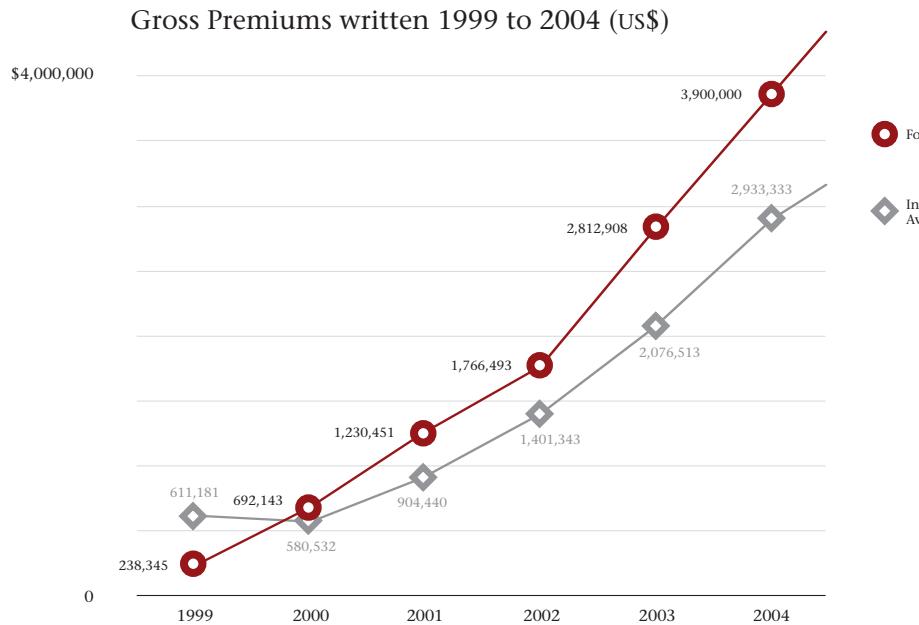
comprises all systems which have moderate power requirements, e.g. communication equipment such as telephones. It is 'all risks' cover for sudden and unforeseen physical loss or damage.

#### Plate Glass

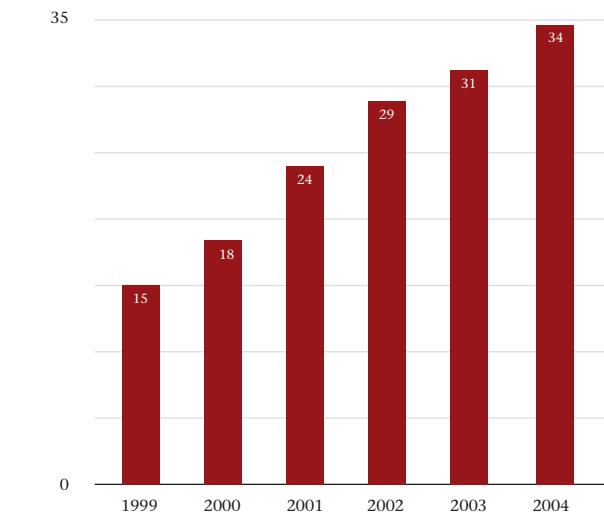
indemnity against destruction or damage to plate glass and mirrors.

insured's legally liable to pay as damages in

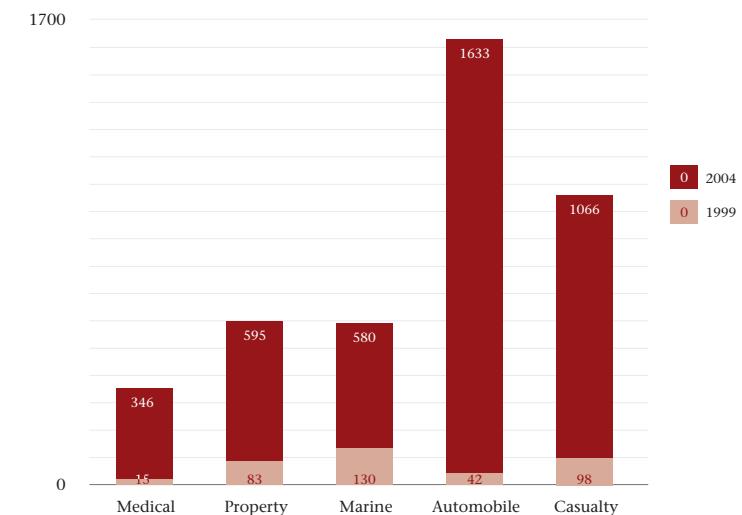
## Financial Highlights



**Number of Forte Insurance Products 1999 to 2004**



**Number of Clients for Forte General Insurance Lines 1999 and 2004**



**Forte's Gross Premiums have risen at an average of over 140% each year since 1999**

Our combination of strong and diversified commercial insurance areas and cash-generative general insurance areas have delivered consistent and reliable financial results. Between 1999 and 2004, Forte's gross premiums written have grown exponentially, almost doubling at an average of 140%. This growth is due to both internal and external factors such as constant refinement and increased sophistication of our product lines, maintaining a consistent alertness in our client focus, and externally, such as the legal requirement of insuring motor vehicles at a minimum level of third party. Forte foresees that as such legal requirements progress and the economy becomes more robust, demand for insurance will grow and the insurance sector will naturally strengthen and develop. This will ensure a continual positive performance based on external factors alone. Forte is well placed to capitalize on the growing demands of commercial insurance.

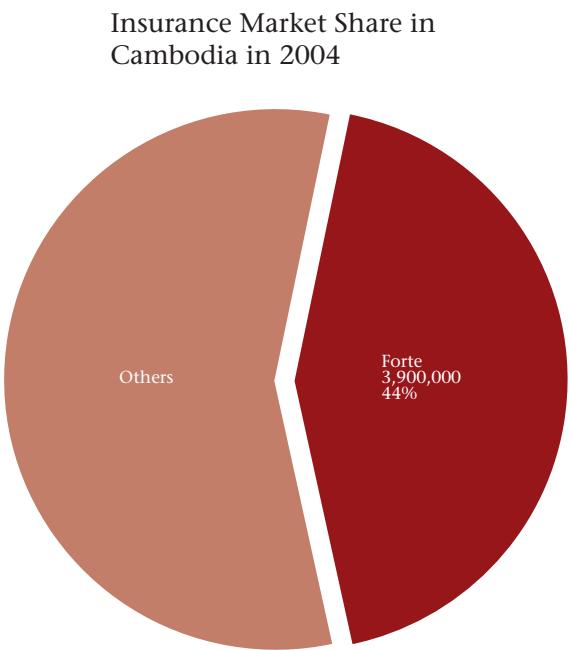
**Forte maintained growth at 53% more than industry growth**

The economic environment and business industry in Cambodia experienced a growth spurt in business development in 1999, and has been expanding since. As commercial activity has progressed, so has the demand for insurance in commercial areas, indicating a desire for more surety and confidence for investments. Forte has been, and is still, responding by introducing a number of new specialized products that match those specialized commercial needs. This area will consistently receive more focus, emphasis and tailoring, through our expert Business Development department.

As the commercial market steadily increases, the demand from the consumer market has also shown rapid increase in more recent years. With more wealth and disposable income in the economy, consumers also have specialized demands. Forte's standard insurance products are all tailor-made to suit each individual need. Forte's success in achieving this is reflected in the sales figures for consumer products. We remain financially strong and we believe we are the best-positioned insurance company in Cambodia to build confidence.

**Forte has increased it's list of clients by 1040% since 1999**

## Financial Highlights



*Forte consistently achieves a customer retention average in excess of 94%*

Forte's commitment to service excellence has led us to hold the number one position in market share despite being the youngest insurance company. We have gained a leadership position in Cambodia with a **market share** of approximately 44% and over 3,000 clients. We also became the leading provider for Fire Insurance and Personal Accident Insurance, having grown considerably over the past few years. Our sustainable profitability gives us a strong platform to deliver a high quality service, strengthen our relationships with customers, and broaden our range of propositions.

**Customer satisfaction** is key to our strategy. We continue to deliver high-quality service, fair prices, and innovative insurance solutions that are tailored to individual customer requirements. This is reflected in our renewals figures for 2003. We achieved a total renewal average of 94%.

market leader in just

over

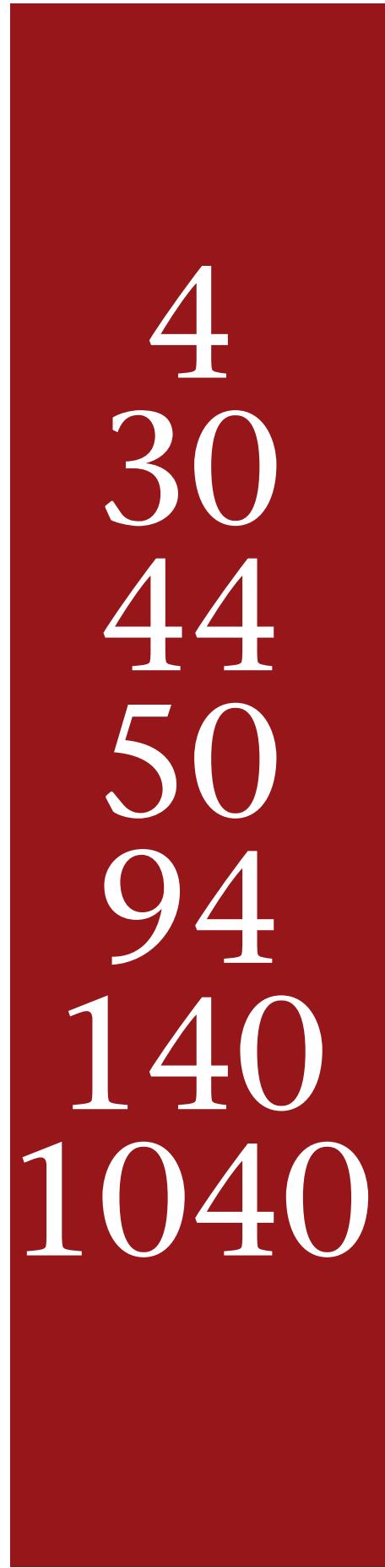
currently holds

over

average of

average annual growth in gross premiums of

increased client list by



## Our Company

### *Board of Directors*



**1 MR. CARLO CHEO**  
Managing Director



**2 MR. CHARLES CHEO**  
Deputy Managing Director



**3 MR. YOUNG CHAMROEUNRITH**  
Director / General Manager



**4 MR. DENNIS YIO**  
Executive Director



**We build confidence**

### *Head of Departments*

**5 DR. OR SAOVANNA**  
Manager, Claims Department

**6 MS. ZHAO HAIMING**  
Manager, Business Development Department

**7 MS. LENG SOMALY**  
Manager, Human Resource Department

**8 MR. KHEANG YANO**  
Manager, Siem Reap Branch

**9 MS. KIM ENG**  
Assistant Manager, Technical Department

**10 MR. YUN SOCHEAT**  
Accountant, Finance Department

**11 MR. LENG SOPHEAK**  
Assistant Accountant, Finance Department

**12 MR. PECH MATINE**  
Supervisor, IT Department

**13 MR. PEN SETHYK**  
Supervisor, Claims Department

**14 DR. OK CHHENG KIMCHOEUN**  
Supervisor, Claims Department

**15 DR. JI XIU FANG**  
Assistant Manager, Claims Department

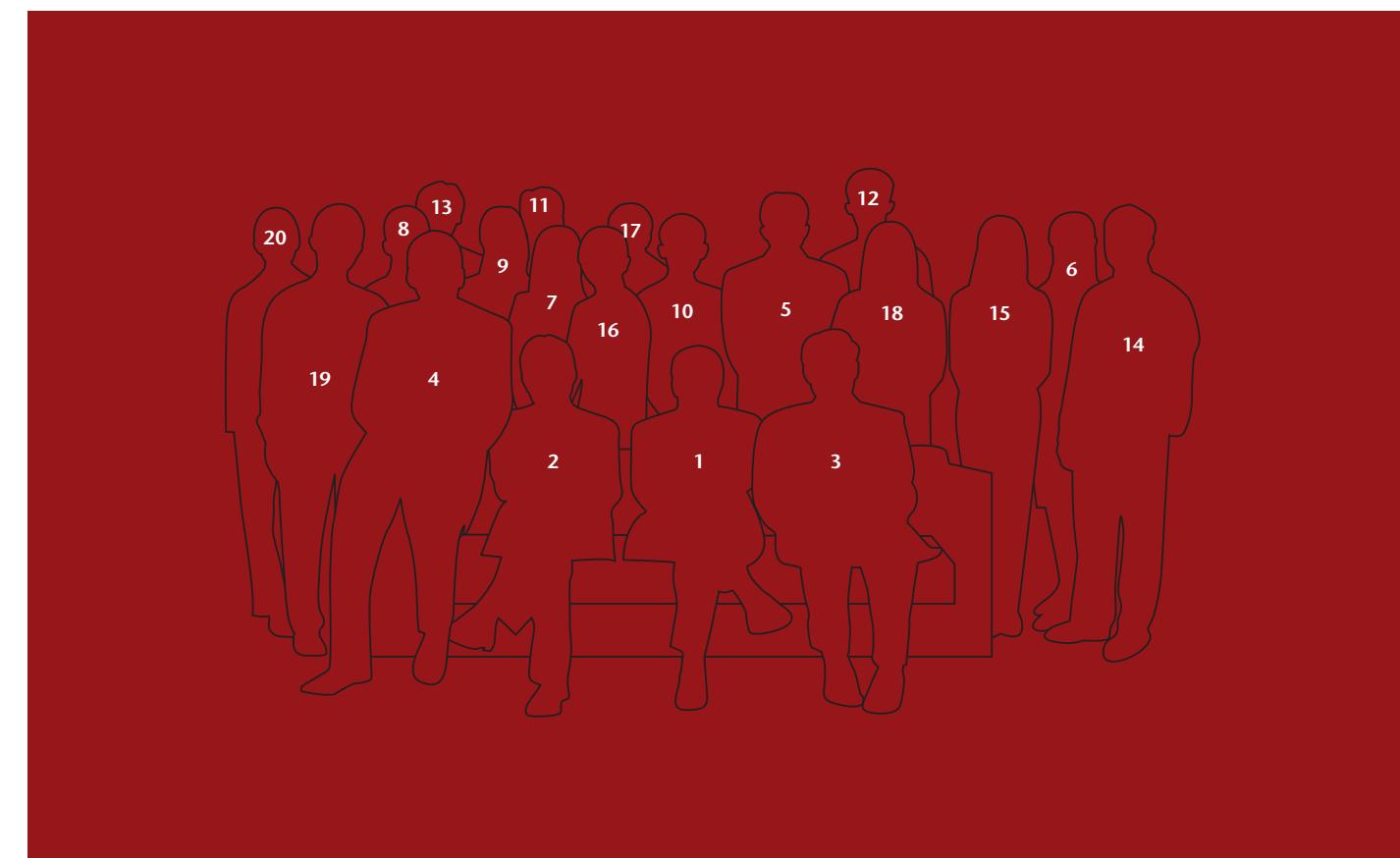
**16 MS. IN SOCHENDA**  
Executive, Human Resource Department

**17 MR. SEANG SOPAGNA**  
Executive, Human Resource Department

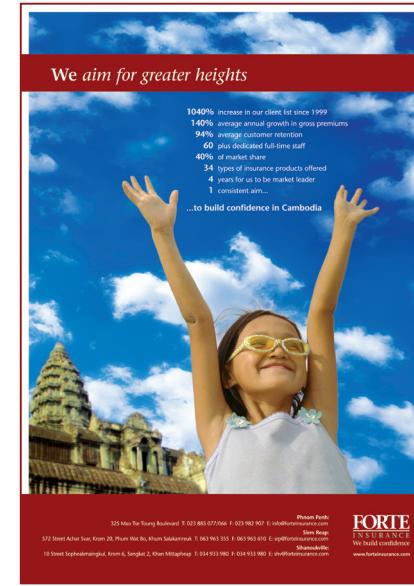
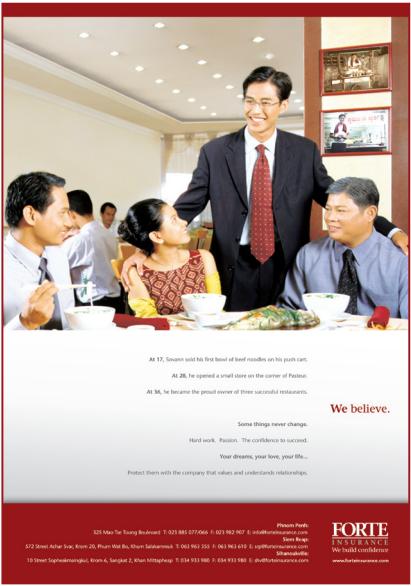
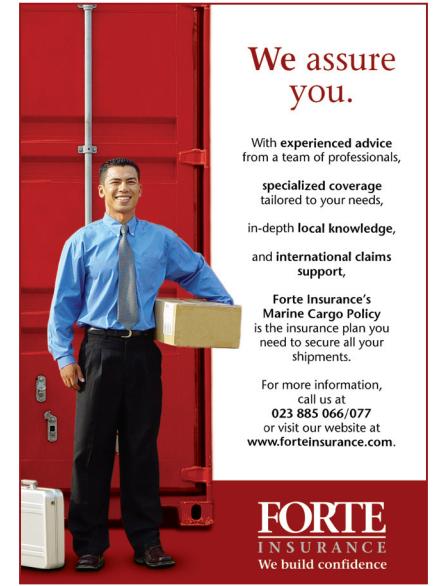
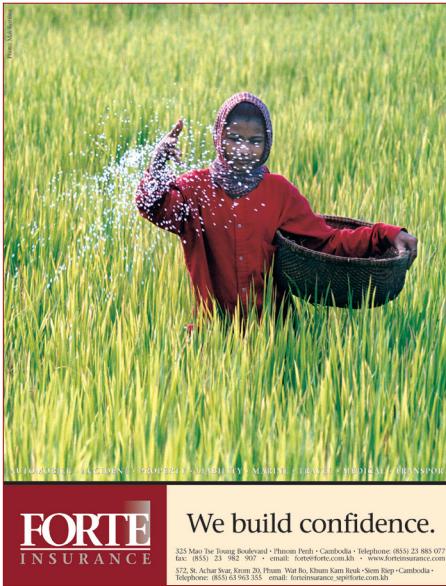
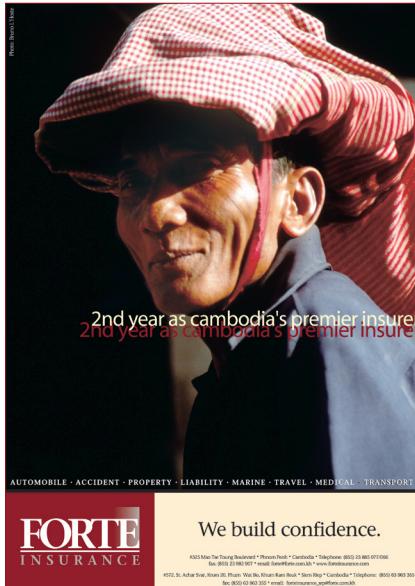
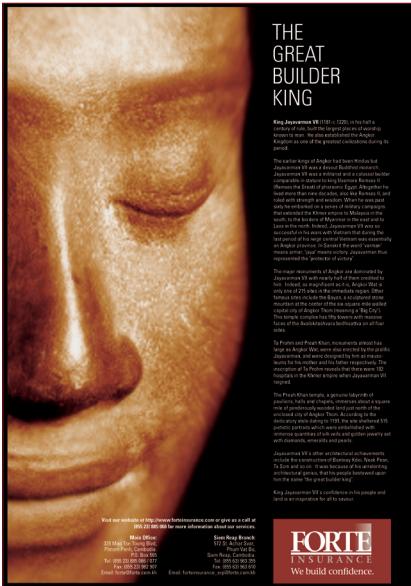
**18 MS. CHEN JIE**  
Executive, Business Development Department

**19 MR. SIN PUTHEAVUTH**  
Team Leader, Business Development Department

**20 MS. SENG SOMEAK**  
Team Leader, Business Development Department



## Forte's Advertising



Through the years, Forte's advertising has won the hearts of Cambodians by capturing the true essence of "We build confidence."



## Contact Info

**Phnom Penh**

325 Mao Tse Toung Blvd., Phnom Penh,  
Cambodia.  
Tel: (855) 023 885 066/077  
Fax: (855) 023 982 907  
Email: [info@forteinsurance.com](mailto:info@forteinsurance.com)

**Siem Reap**

572 Street Achar Svar, Krom 20, Phum  
Wat Bo, Khum Salakamreuk, Siem Reap,  
Cambodia.  
T: (855) 063 963 355  
Fax: (855) 063 963 610  
Email: [srp@forteinsurance.com](mailto:srp@forteinsurance.com)

**Sihanoukville**

10 Street Sopheakmaingkul, Krom 6,  
Sangkat 2, Khan Mittapheap, Sihanoukville,  
Cambodia.  
Tel: (855) 034 933 980  
Fax: (855) 034 933 980  
Email: [shv@forteinsurance.com](mailto:shv@forteinsurance.com)

[www.forteinsurance.com](http://www.forteinsurance.com)

