

## Forte Insurance: Being A Model Corporate Citizen

In many ways, Forte Insurance, the latest insurer to set up business in Cambodia, which today corners some 43% of the premium volume of US\$8.8 million of the country, is already a market leader. It is the first to come out with corporate and product brochures trying to educate consumers on the various insurance products. It has sponsored a TV show on “Build Your Confidence”, in line with its corporate mantra of “We Build Confidence” and it has scored another major feat in working with the authorities to bring in the training institutes from Malaysia and Singapore to offer certification courses in Cambodia to enable the locals to take their examinations in the country itself.

### Model Citizen

Forte, a young company with a strong vision to survive and excel to become the number one in the market, is set to be a model citizen within the industry.

“Despite the hot challenges and the struggles, we will pull our socks and get better at what we do while nurturing the market,” said Mr Carlo Cheo, the Founding Managing Director of Forte Insurance. Looking at the trials and travails of running an insurance company in a truly emerging market, he said that the level insurance awareness was still low and the task was still uphill. But what keeps him going was the dedication of his team which includes a Cambodian partner, Mr Youk Chamroeunrith, as the General Manager/Director. Through him, Forte has a truly Cambodian front in the leadership and is able to relate both with the government and the industry players, while through the MD and his regional and international contacts and connections, Forte is able to access the reinsurance market even when capacity is tight.

### Higher Retention

And as an old hand in insurance having served in the insurance market for 42 years, he does not believe in any easy fronting deals. “We want to underwrite business that we understand, and business that we can retain to a certain extent,” said Mr Cheo, who counts among the company’s accolades the ability to settle even large claims like US\$250,000 within six weeks in an emerging nascent market like Cambodia. He takes pride in being able to retain more volume than his competitors as a sign of strength and commitment to the business. This is the underwriting philosophy of the firm, to be fully aware of the risks assumed at all times.

### Viable Guidelines

On what he likes to see happening in the market, he was quick to add that there should be more laws in place to enhance the stability and security of the marketplace. There should be viable guidelines to allow insurers to take advantage of opportunities globally to optimise the investment income with suitable safeguards in place. He said that just having the laws will not make a difference unless there was a conscious implementation to make the laws effective. Cambodia, flanked by two “giants” like Thailand and Vietnam, must find its niche to survive.

### Education The Key

On the other hand, he also felt that the pool of intermediaries (agents) could be enlarged with the removal of the deposit amount. For brokers in a small market like Cambodia, the US\$50,000 one-time deposit to Central Bank should also be removed. But his earnest belief in the future of the country is through education to make the workforce more professional and, in the long term, to put in place the infrastructure to nurture the right managers. Musing that Asean co-operation might lead to this happening, he added that educating the workforce had to be a priority, and education held the key to their way out of the poverty trap. With the expected stepping up of Asean activities through the Asean Insurance Council holdings its first meeting in Cambodia in November, he advised that Asean must look at Cambodia as a market to “be helped and nurtured” and “not exploited or taken advantage of”.

### Intense Competition

On competition with the numbers coming down to three from four with the departure of Indochine Insurance, Mr Cheo said that competition will still be intense in a free market. It is not numbers that complicate the issues but the policies of competitors with rate reductions that confuse the market.

Although it cannot be an insurer of all classes, Forte accounts for some 70% of the property business and a large slice of the engineering book in Cambodia. Although it avoids the motor business, it still has a good fifth of that market despite being very selective and principled in underwriting auto business. It does not write any aviation business, but has some marine cargo, travel and personal accident.

### “Cambodia Has Potential”

Giving a glimpse of his personal life, Mr Cheo said that he went into insurance as a necessity as there were no jobs available at that time in Singapore, but he came to Cambodia by choice to take the risks of building an insurance business in July 1999 and has not regretted his decision despite the upheavals and internal wars in the country. And like all committed businessmen, he wants Forte to be recognised internally and externally as a corporate citizen that has done well in terms of growth and profits of the company and has contributed to the economic development of the country. And his personal satisfaction is that despite the difficult market conditions, he has a great team, including medical doctors, that is “dedicated, loyal, enthusiastic and fired up”.

As a parting shot, he urged everyone to give Cambodia a chance as it has “potential”.

Mr Carlo Cheo

