

Optional Compensation Scheme for third party victims of Motor Vehicle Accidents – for Death or Permanent Disability

Circular issued to General Insurance Institutions registered under the Regulation of Insurance Industry Act, No.43 of 2000

Date: 01.09.2025

No. 01 of 2025

Introduction

1. The Optional Compensation Scheme is available for third-party victims of motor vehicle accidents, as described in paragraph 3, or their legal heirs, as described in paragraph 4 of this circular, to obtain compensation out of the Court system.

Availing compensation under this Optional Compensation Scheme does not restrict the right of a person to seek compensation through the existing legal system.

2. This compensation is paid without admitting any legal liability and on ex-gratia basis, by general insurance institutions registered with the Insurance Regulatory Commission of Sri Lanka (IRC SL) which are listed in "Annexure 01" hereto.

Any violation or breach of a clause or condition in the insurance policy of the motor vehicle which caused the accident will not restrict a third party from obtaining compensation under this scheme.

Persons who are considered as third-party victims under this scheme

3. Persons who die or become permanently disabled as described in Annexure 02(a) hereto, due to motor vehicle accidents, except the persons mentioned under paragraphs (5), (6) and (7) of this circular.

Payment of Compensation

4. Compensation will be paid to the 3rd party victim or his/her legal heirs in the following manner:
 - a. In the event of a death of a victim (the victim must be over 18 years of age) payment of compensation is made to the following persons;
 - i. If the victim is married, to the spouse and minor children;
 - ii. If the victim is unmarried, to his/her parents.

- b. In the event a victim is in a state of permanent disability (total/partial) as described in Annexure 02(a) herein, compensation will be paid to the victim. If it is practically impossible to make the payment to the victim, then, compensation is paid to the following persons in favour of the victim:
 - i. If the victim is a minor or an unmarried person, to his/her parents; or
 - ii. If the victim is married, to his/her spouse and if the spouse is not living, to the children.

Persons who are excluded from this Optional Compensation Scheme

- 5. Drivers, employees and passengers of a motor vehicle who die or who become permanently disable due to a motor vehicle accident;
- 6. Persons who collide with motor vehicles intentionally to obtain compensation; and
- 7. Persons who die or become permanently disable as a result of a motor vehicle accident involved in an act of riot or terrorism.

Amount of Compensation

- 8. Compensation amount will be paid as follows:
 - a. In the event the accident involves **one victim**;
 - (i) compensation amount for death is Rs. One Million (Rs.1,000,000/-);
 - (ii) compensation amount for permanent disability (total/partial) is calculated in accordance with the limits mentioned in Annexure 2(a) herein, subject to a maximum compensation limit of Rs. One Million (Rs.1,000,000/-).
 - b. In the event the accident involves **multiple victims**, of death and permanent disability, the total maximum compensation for all such victims will be capped at Rs. One Million (Rs.1,000,000/-).

Terms and Conditions of Payment of Compensation

- 9.
 - a. It is mandatory for the motor vehicle to have a minimum of a third-party motor insurance policy issued by an insurance institution mentioned in Annexure 01 hereto.
 - b. Death or permanent (total/partial) disability should be the result of a motor vehicle accident.
 - c. Death or permanent (total/partial) disability should occur or should have commenced to occur within 12 months of the motor vehicle accident.

- d. Application for compensation should be submitted to the respective insurance institution within 6 months of the happening of death or permanent (total/partial) disability.

Application for Compensation

10. The application form and the instructions on how to make an application under this scheme are included in "Annexure 02" hereto.

Right to go to Court

11. A victim or his/her legal heirs who has obtained compensation under this scheme may file a case in Court with respect to the same accident, in order to obtain additional compensation, in case if he/she believes that the compensation already received under this scheme is inadequate, given the magnitude of the damage caused by the accident.
12. In such a case, if the Court decides in favour of the victim and order compensation, any compensation paid by insurers under this scheme will be duly deducted from such court-ordered compensation, which will be duly informed to court in the proceedings. For such purposes the insurance institution shall obtain the written agreement of the victim/beneficiary for such deduction of compensation at the time of granting compensation under this scheme.
13. Awarding compensation under this scheme does not affect the right of the insurance institution to challenge a claim in terms of the insurance contract, in a lawsuit filed against the insurance institution.

Settlement of Disputes

14. Disputes between the victim or his/her legal heirs and the insurance institution regarding compensation under this scheme will be resolved by the Insurance Regulatory Commission of Sri Lanka.

Date of implementation of this scheme

15. This Scheme will be applicable for motor vehicle accidents that occur with effect from **01st September 2025**.

Note: For avoidance of doubt, the criteria laid down in IRCSL Circular No.03 of 2024 dated 26.02.2024 will be applicable for motor vehicle accidents that occurred during the period from 01st March 2024 to 31st August 2025.



Director General

As per the order of the Insurance Regulatory Commission of Sri Lanka

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Annexure 01

**General Insurance Institutions registered with Insurance Regulatory
Commission of Sri Lanka (As at 2025.09.01)**

Name of the Insurance Institution	Address of Head Office	Contact No.
1.Allianz Insurance Lanka Ltd.	Levels 25-7, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02.	011 2317947
2.Amana Takaful PLC	660-1/1, Galle Road, Colombo 03	011 2597430
3.Ceylinco General Insurance Limited	Ceylinco House, 3rd Floor, No. 69, Janadhipathi Mawatha, Colombo 01	011 2485757-9 011 4702746
4.Continental Insurance Lanka Ltd.	No. 79, C. W. W. Kannangara Mawatha, Colombo 07.	011 5200202, 011 5200611
5. Cooperative Insurance Company Ltd.	"Co-operative Insurance House", No. 74/5, Grandpass Road, Colombo 14	0112 557 300-8
6. Fairfirst Insurance Limited	Access Towers II (14th Tower), 278/4, Union Place, Colombo 02.	0112 428 428
7. HNB General Insurance Ltd.	Iceland Business Centre, No. 30, Sri Uttarananda Mawatha, Colombo 03	011 4793701
8. LOLC General Insurance PLC	No. 481, T. B. Jayah Mawatha (Darley Road), Colombo 10	0115004503 0115500880 0115500850
9. National Insurance Trust Fund	UPTO Building", No. 95 Sir, Chiththampalam A Gardiner Mawatha, Colombo 02	011 2026600
10. Orient Insurance Limited	No. 133, New Bullers Road, Colombo 04.	011 2030311
11. People's Insurance Ltd.	No. 07, Havelock Road, Colombo 05	0112 0126126
12. Sanasa General Insurance Company Limited	No. 172, Elvitigala Mawatha, Colombo 08	011 2003000
13. MBSL Insurance Company Ltd.	No. 519, T. B. Jayah Mawatha, Colombo 10.	0112 304 500
14. Sri Lanka Insurance Corporation General Limited	No. 21, Vaxhaull Street, Colombo 02.	0112357146 0742701494

Further information related to the relevant institutions can be obtained through the website of the Insurance Regulatory Commission of Sri Lanka (www.ircsl.gov.lk)

Annexure 02

Optional Compensation Scheme for Third Party Victims of Motor Traffic Accidents for Death and Permanent Disability

Application for Compensation

N.B. Complete this application form after properly reading and understanding the instructions mentioned in pages 6 & 7 below.

Section 01

Particulars of the Applicant

1.1 Full Name :

1.2 Postal address:

1.3 Occupation:

1.4 Place of Work:

.....

1.5 Contact Number:

Mobile : Fixed Line :

1.6 Date of Birth: Year Month Date

1.7 National Identity Card Number:

1.8 Sex :

1.9 Marital Status:

1.10 Relationship to the Person Deceased / Permanently Disabled:

.....

Section 02

Particulars of the Person Deceased / Permanently Disabled

2.1. Full Name

.....

.....

2.2. Postal Address:
.....

2.3. Contact Number:

2.4. Date of Birth: Year Month Date

2.5. National Identity Card Number:

2.6. Sex :

2.7. Marital Status:

2.8 Full Name of the Spouse:

2.9. Full Name and Age of each Child, if any:

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.....
.....

2.10 Names of the Parents, if alive:

.....
.....

Section 03

Details of the Accident

3.1. Nature of the Accident: FatalCritical Injuries

3.2 Date of the Accident:

YearMonth Date.....

3.3 Time of the Accident:a.m./p.m.

3.4 Place of the Accident:

3.5 If persons other than the injured / deceased had died or got injured by the accident, names of such persons (If known)

.....

.....

3.6 District of the place of accident:

3.7 Police station to which the accident was reported:

3.8 Date on which the accident was reported to the police station:

Year Month Date

3.9 Time at which the accident was reported:a.m./p.m

3.10 Number under which the accident was recorded at the police station:

3.11 Details of the vehicle which caused the accident (Can be obtained from the police station at which the accident was reported)

- Type of Vehicle

.....

- *Vehicle Number

.....

-* The Insurance Company which insured the vehicle

.....

- Insurance policy number

.....

(*Required)

3.12 Details of the driver who caused the accident (Can be obtained from the police station at which the accident was reported):

- Full Name

.....

- National Identity Card Number.....

Section 04

Medical Evidence

Should be completed by the Medical Officer in charge of the ward of the hospital to which the patient was admitted

4.1 Full Name of Patient :

4.2 Name of the hospital :

4.3 Date on of Admission:

Date of discharge:.....

4.4 Nature of the injury:.....

4.5 Is the patient permanently disabled?

4.6 Type of injury of the patient (out of the list of disabilities identified in Annex 02 (a) of the compensation scheme)

.....

4.7 Other details

.....

.....

.....

Name of the Medical Officer:

Signature:

Official Stamp:

*N.B. Medical Officer means a Medical Officer registered with the Sri Lanka Medical Council or Ayurvedic Doctor registered with the Ayurvedic Medical Council.

I hereby certify that the above particulars are accurate to the best of my knowledge.

.....
Signature of the Applicant

.....
Date

Certification of Grama Niladhari and Divisional Secretary

I hereby certify that the above mentioned applicant(Name),
is known to me and he/ she is permanently residing at this division and the particulars furnished
by him/ her are true and accurate to the best of my knowledge.

.....
Signature of Grama Niladhari
Official Stamp

.....
Date

.....
Signature of the Divisional Secretary
Official Stamp

.....
Date

Instructions for the applicants

1. Information on the Optional Compensation Scheme for third party victims of motor traffic accidents – death or permanent disability are stipulated in Circular No: 01 of 2025 issued by the Insurance Regulatory Commission of Sri Lanka on 1st September 2025. For more details visit www.ircsl.gov.lk.
2. The completed application form along with copies of documents mentioned herein certified by the Divisional Secretary (except where originals are required) should be handed over to the insurance institution which insured the vehicle that caused the accident, within 6 months from the date on which the death or permanent disability occurred. Please obtain a signed acknowledgement from the insurance institution.
3. The Application Form of this Optional Compensation Scheme can be obtained as follows:
 - i) From all the Police Stations
 - ii) From all the Divisional Secretariats
 - iii) From Insurance Regulatory Commission of Sri Lanka, 11th Floor, East Tower, World Trade Center, Colombo 01 or by visiting www.ircsl.gov.lk or the Facebook Page of IRCSL
 - iv) From National Council for Road Safety, Ministry of Transport, No: 01, D.R. Wijewardhana Mawatha, Colombo 10
 - v) From www.roadsafety.gov.lk or visiting “roadsafety sri lanka” Facebook Page
 - vi) From branches of all General Insurance Institutions
4. Information on General Insurance Institutions registered with the Insurance Regulatory Commission of Sri Lanka is available at www.ircsl.gov.lk.
5. If an Insurance Institution rejects a request for compensation or if the compensation paid does not comply with the percentages indicated in Annexure 2(a) herein, you may forward an appeal to the Insurance Regulatory Commission of Sri Lanka (IRC SL). Details of IRC SL are indicated below:

Address:

Insurance Regulatory Commission of Sri Lanka

Level 11, East Tower, World Trade Center, Colombo 01

Telephone: 0112396184-9

Hotline: 0112 396 188

Email: info@ircsl.gov.lk

Website: <http://ircsl.gov.lk>

The application should be submitted to the respective Insurance Institution along with copies of the following documents certified by the Divisional Secretary. Originals should be submitted where required.

For Permanent Disability claims

- (1) Certified copies of the National Identity Cards of the Applicant and the victim of the accident;
- (2) Police Report (Should be completed by the Police Station to which the accident was reported (*Original));
- (3) Diagnosis Card issued by the hospital (Name of the Medical Officer, signature, official stamp and date should be included) and certified copies of other medical reports;
- (4) Certified copies of Birth Certificates of the Applicant and the victim of the accident;
- (5) In cases where the applicant is the spouse of the victim of the accident, a certified copy of the Marriage Certificate.

For Death Claims, following documents should be submitted in addition to the above documents:

- (1) Certified copies of the Death Certificate and the Coroner's Report;
- (2) Certified copies of Birth Certificates of the children of the deceased (Birth certificates of the boys less than 18 years of age and girls less than 20 years of age at the time of the death);
- (3) If the deceased is unmarried, a certificate of Grama Niladhari counter signed by Divisional Secretary or a formal Affidavit to prove same. (*Original).

Annexure 2 (a)

List of injuries deemed to result in Permanent (Total/ Partial) Disablement and the respective percentages of Compensation

Injury	Percentage of Compensation	Injury	Percentage of Compensation
Permanent and incurable paralysis of the limbs injuries resulting in being permanently bedridden	100	Loss of Leg	
		(i) At or above knee	90
		(ii) At or below knee	80
Permanent incurable loss of mental capacity resulting in fetal incapacity to work or any other injury causing fatal incapacity to work	100	Foot Injuries	
		(i) Loss of both feet	100
		(ii) Loss of one foot	90
Eye Injuries		Loss of Toes	
(i) Total loss of sight in both eyes	100	(i) Great toe-both phalanges	40
(ii) Total loss of sight in one eye	80	(ii) Great toe-one phalanx	20
		(iii) Other than great toe, if more than one lost each	20
Hearing Injuries		Miscellaneous	
(i) Total loss of hearing	80	(i) Total loss of genitals	75
(ii) Total loss of hearing in one ear	50	(ii) Partial loss of genitals	60
Loss of speech		(iii) Severe facial scarring or disfigurement	90
(i) Total loss of speech	100	(iv) Severe body disfigurement, other than facial scarring or disfigurement to a maximum of	60
Sensory Loss		(v) Loss of single tooth	10
(i) Total loss of sense of smell and taste	60	(vi) Loss of any member or part thereof not mentioned above (e.g. nose, ear, etc) to be assessed by a medical officer up to a maximum of	60
(ii) Total loss of sense of smell	60		
(iii) Total loss of sense of taste	60		
Arm Injuries			
(i) Loss of arm at or above elbow	85		
(ii) Loss of arm at or below elbow	80		
Hand Injuries			
(i) Loss of both hands	100		
(ii) Loss of hand or loss of thumb and four fingers	80		
(iii) Loss of thumb (both phalanges)	50		
(iv) Loss of thumb (one phalanx)	40		
(v) Loss of four fingers	80		
Loss of index finger			
(i) Three phalanges	50		
(ii) Two phalanges	40		
(iii) One phalanx	20		
Loss of middle, ring and little fingers			
(i) Three phalanges	30		
(ii) Two phalanges	20		
(iii) One phalanx	15		

Annexure - B

මෝටර් වාහන අනතුරු මගින් තුවන පාර්ශවීය වින්දිතයන්ට සිදුවන මරණ හෝ ස්ථිර අබලතා සඳහා වන්දි ලබාගත හැකි විකල්ප ක්‍රමවේදය

පොලිස් වාර්තාව

පොලිස් ස්ථානයේ නම:.....

ලිපිනය:

- 1. අනතුර සිදු වූ දිනය:
- 2. අනතුර සිදු වූ වේලාව සහ ස්ථානය:
- 3. අනතුරට පත් වාහන අංකය:
- 4. රථ වාහන රක්ෂණ සහතික අංකය:
- 5. රක්ෂණ ආයතනයේ නම:
- 6. රක්ෂිතයාගේ නම සහ ලිපිනය:
- 7. මෙකී අනතුර නිසා මරණයට හෝ ස්ථිර අබලතාවයට පත් වූ තුවන පාර්ශවීය (මෙම විකල්ප ක්‍රමවේදය අදාළ වන) පුද්ගලයා ගැන විස්තර:
 - (i) සම්පූර්ණ නම:.....
 - (ii) ජාතික හැඳුනුම්පත් අංකය:
 - (iii) මරණයට ලක් වූයේ ද, තුවාල ලැබුවේද යන වග:
 - (iv) තුවල ලබා ඇති ශරීර අංග:
 - (v) තුවාල වල ස්වභාවය:.....
 - (vi) අනතුරට ලක් වූ පුද්ගලයා පාරේ ගමන් කරමින් සිටි අයෙක්ද පාපැදියක යමින් සිටි අයෙක්ද යන වග:

8. අනතුර සිදු වූ ස්ථානයට ගොස් පරීක්ෂා කළ/ නොකළ බව:.....

9. රියදුරුගේ විස්තරය:

(i) නම හා ලිපිනය:

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(ii) රියදුරු බලපත්‍ර අංකය:

(iii) නිකුත් කළ දිනය:

10. මෙම අනතුර සිදු වී ඇති ආකාරය:

(i) අනතුරට ලක් වූ තුන්වන පාර්ශ්වීය වින්දිතයා අනතුර විස්තර කළ ආකාරය:

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(ii) අනතුරට හේතු වූ මෝටර් වාහනයේ රියදුරු අනතුර විස්තර කළ ආකාරය:

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(iii) අනතුර සිදු වූ ස්ථානයට ගිය පොලිස් නිලධාරියා නිරීක්ෂණය කළ තොරතුරු:

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දිනය:.....

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ස්ථානභාර නිලධාරී (නිල මුද්‍රාව)