INSURANCE REGULATORY COMMISSION OF SRI LANKA

LONG-TERM (LIFE) INSURANCE CLAIMS SETTLEMENT STATISTICS

SRI LANKA 2025

Claims Settlement Statistics - 2025

Long-Term Insurance Business

This report presents a comprehensive analysis of claims data within Sri Lanka's long-term insurance industry for the year 2025, with a particular focus on the "Claims Settlement Ratio" as a key indicator of insurers' performance in meeting policyholder obligations.

The report examines claims settlement outcomes across the industry, providing valuable insights into the efficiency, reliability, and responsiveness of insurers in processing and settling claims. Through this analysis, stakeholders can gain a deeper understanding of the industry's commitment to delivering timely and fair claims settlement, thereby reinforcing consumer confidence and trust in the long-term insurance sector.

Claims Settlement Ratio (CSR)

The Claims Settlement Ratio (CSR) is a key indicator used to assess an insurer's claims settlement performance. It is calculated as the **percentage of claims settled during the reporting period out of the total claims received, comprising of outstanding claims carried forward from previous years, claims intimated during the period and claims reopened during the period.**

A higher CSR reflects an insurer's ability to process and settle claims efficiently, demonstrating its commitment to fulfilling policyholder obligations in a timely and responsible manner.

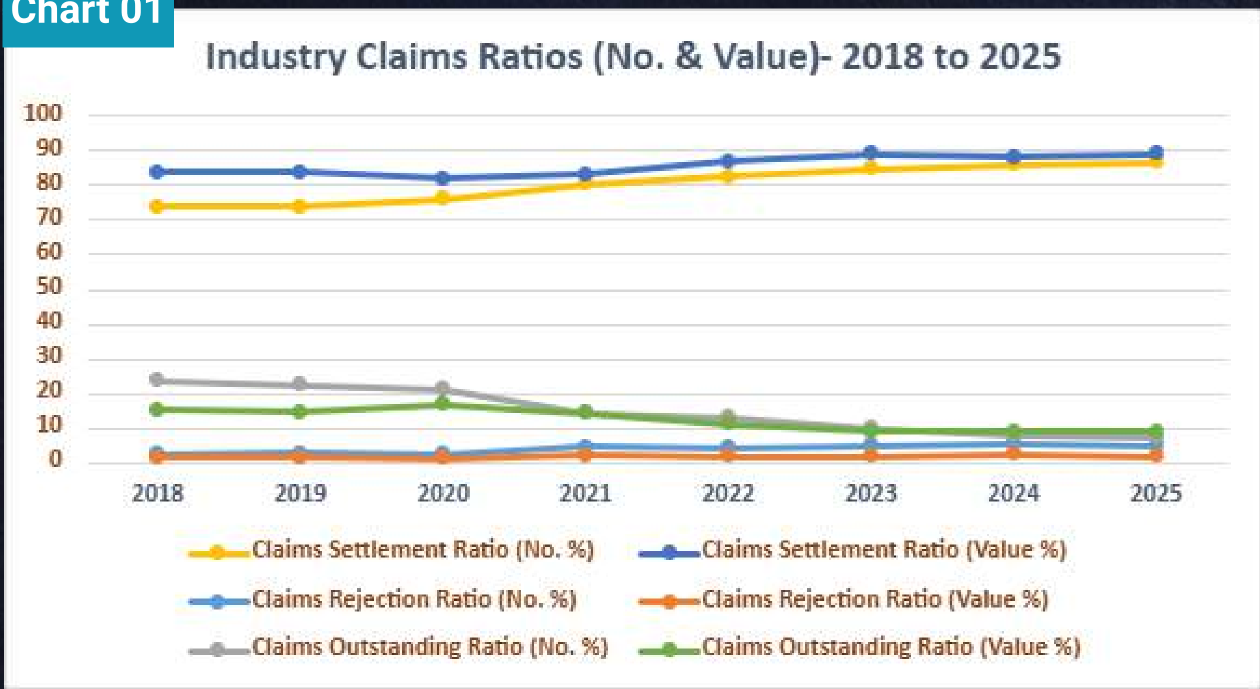
$$\text{Claims Settlement Ratio (CSR)} = \frac{\text{Total Claims Paid}}{\text{Total Claims Received*}} \times 100$$

*"Total Claims Received" includes Claims Outstanding at the beginning of the Year, Claims Intimated during the Year and Claims Reopened during the Year.

Long-term Insurance Industry Claims Settlement Statistics

	NO. OF CLAIMS PAID & CSR (NO.)	VALUE OF CLAIMS PAID & CSR (VALUE)
2025	1,178,065 (87%)	LKR 109 BN+ (89%)
2024	980,363 (86%)	LKR 87 BN+ (88%)
2023	774,541 (85%)	LKR 80 BN+ (89%)
2022	585,598 (83%)	LKR 64 BN+ (87%)

Chart 01



Long-term Insurance Industry Claims Snapshot 2025

NO.

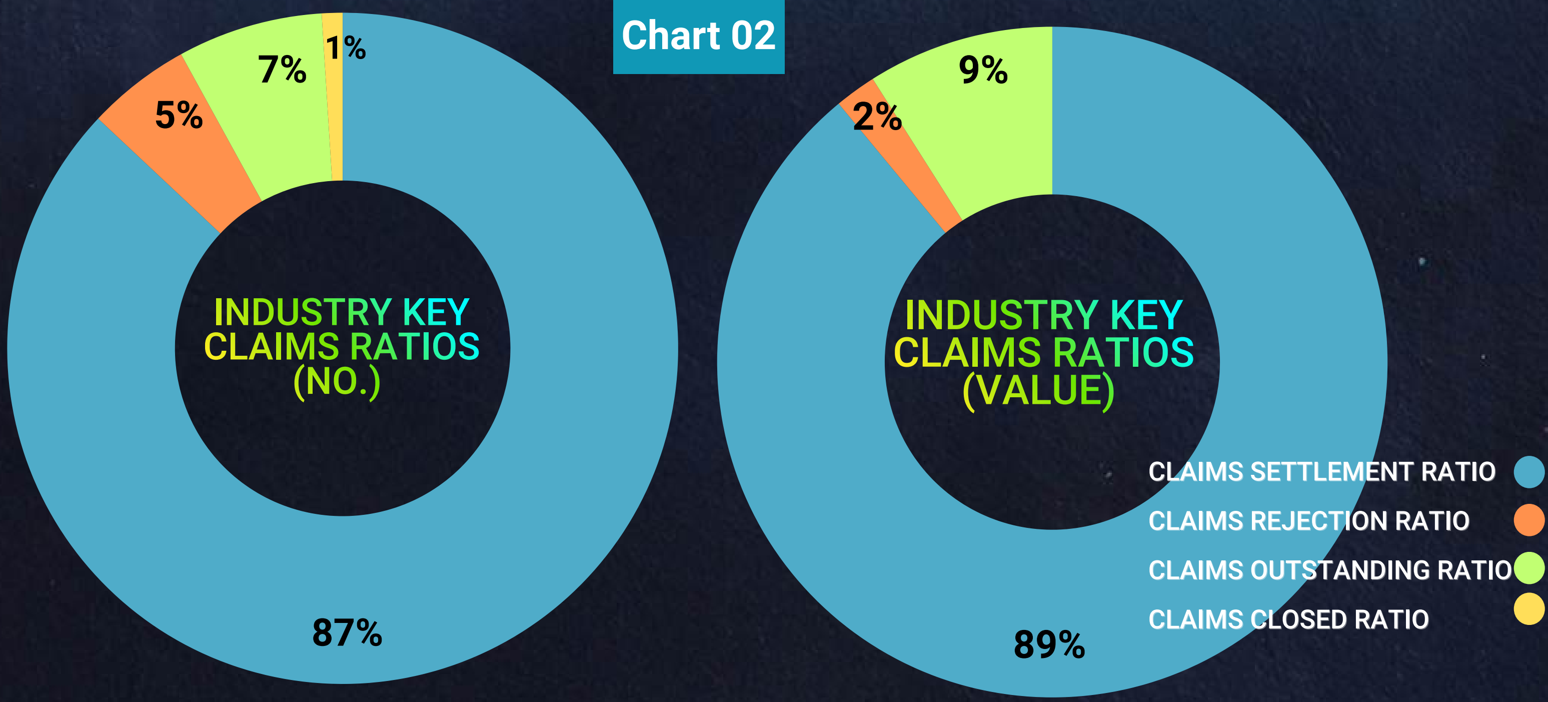
CLAIMS RECEIVED*	CLAIMS PAID	CLAIMS REJECTED	CLAIMS OUTSTANDING
1,357,299	1,178,065	66,573	100,929

VALUE (RS.'000)

CLAIMS RECEIVED*	CLAIMS PAID	CLAIMS REJECTED	CLAIMS OUTSTANDING
122,765,425	109,401,597	2,123,368	10,836,020

*"Total Claims Received" includes Claims Outstanding at the beginning of the Year, Claims Intimated during the Year and Claims Reopened during the Year.

Chart 02



As per above Chart 02, the average claims settlement ratio of long-term insurance companies was 87% by number and 89% by value for the year 2025.

The claims rejection ratio stood at 5% by number and 2% by value.

Long-term Insurance Claims Settlement Ratios by Company

Charts 3 and 4 together with Table 1, present the key claims performance indicators of individual long-term insurance companies for 2025, providing insights into their effectiveness in settling policyholder claims. The analysis reveals that eleven (11) long-term insurance companies recorded claims settlement ratios exceeding the industry average of 87% in terms of the number of claims settled. Similarly, eleven (11) companies achieved claims settlement ratios that were equal to or higher than the industry average of 89% in terms of the value of claims settled.

While the overall industry claims settlement performance remains strong, the charts also highlight variations among individual insurers.

In addition to settlement ratios, Charts 3 and 4 provide a comparative view of claims outstanding and rejection ratios, both by number and by value.

Chart 03: Company wise Claims Settlement and Outstanding Ratios

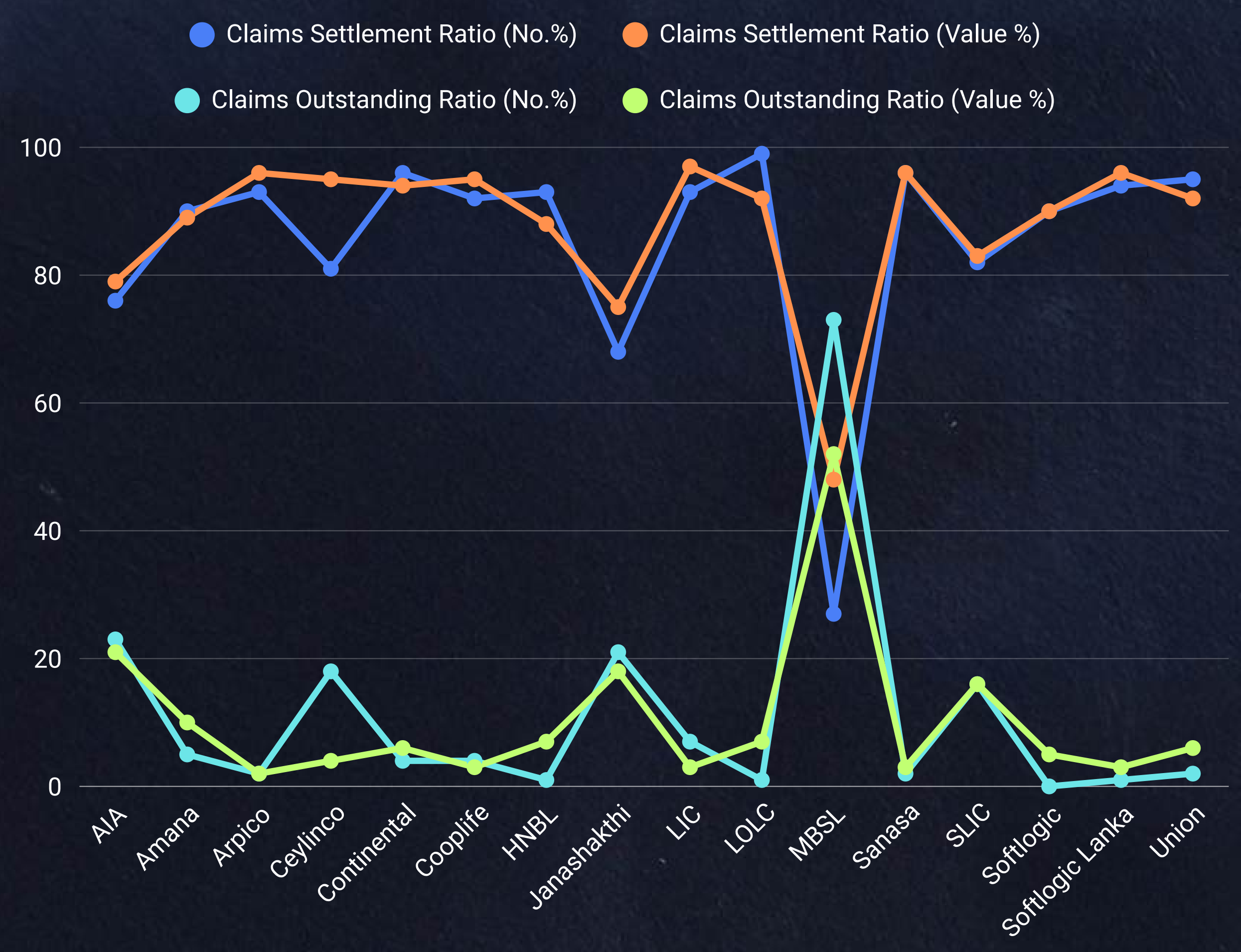


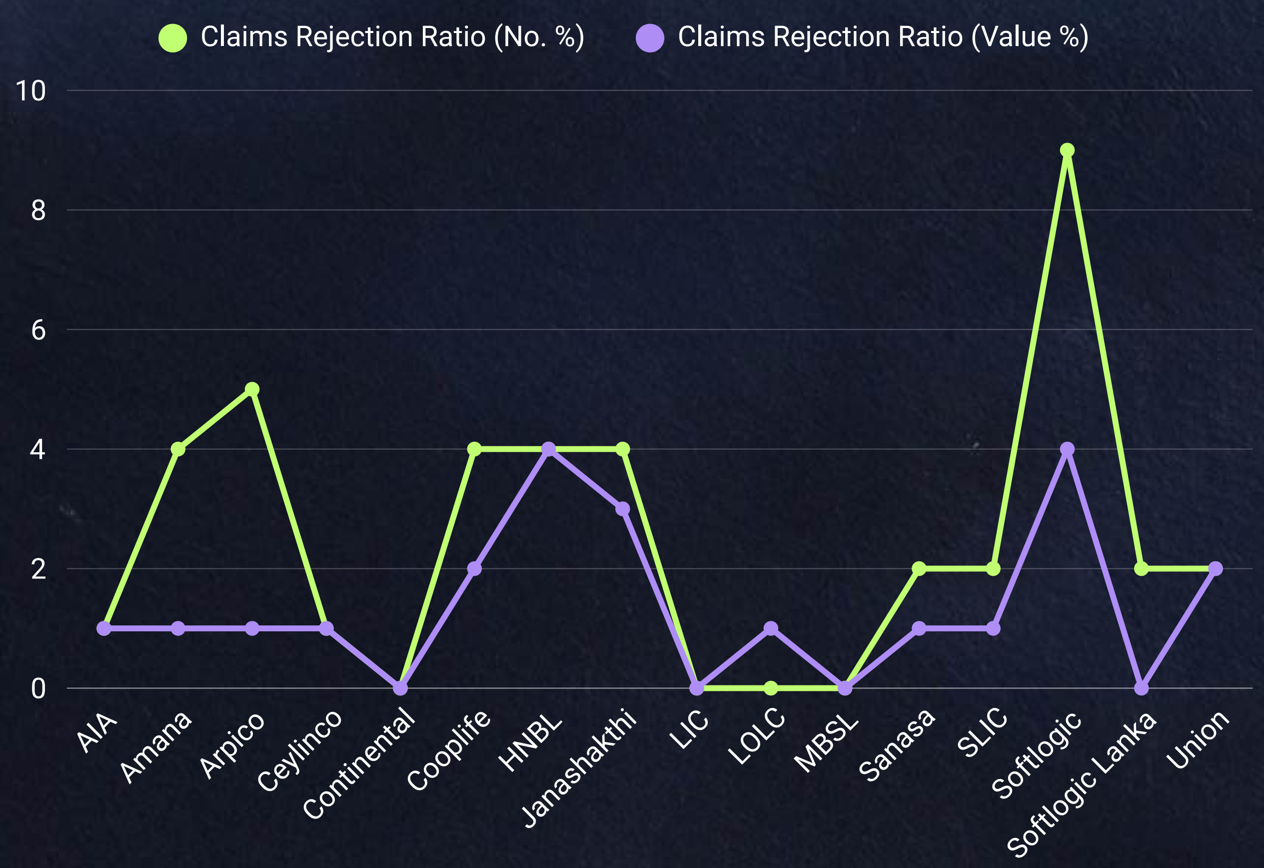
Table 01: Company wise Claims Settlement Ratios

Name of Insurer	AIA	Amana	Arpico	Ceylinco	Continental	Cooplife	HNBL	Janashakthi	LIC	LOLC	MBSL*	Sanasa	SLIC	Softlogic	Softlogic Lanka**	Union Assurance	Industry
Claims Settlement Ratio (No.%)	76	90	93	81	96	92	93	68	93	99	27	96	82	90	94	95	87
Claims Settlement Ratio (Value %)	79	89	96	95	94	95	88	75	97	92	48	96	83	90	96	92	89

*MBSL Insurance Company Ltd. has ceased to underwrite new life insurance business with effect from 1st June 2020.

**Following the acquisition of Allianz Life Insurance Lanka Ltd by Softlogic Life Insurance PLC, the company has changed its name from Allianz Life Insurance Lanka Ltd to Softlogic Life Insurance Lanka Limited.

Chart 04: Company wise Claims Rejection Ratios

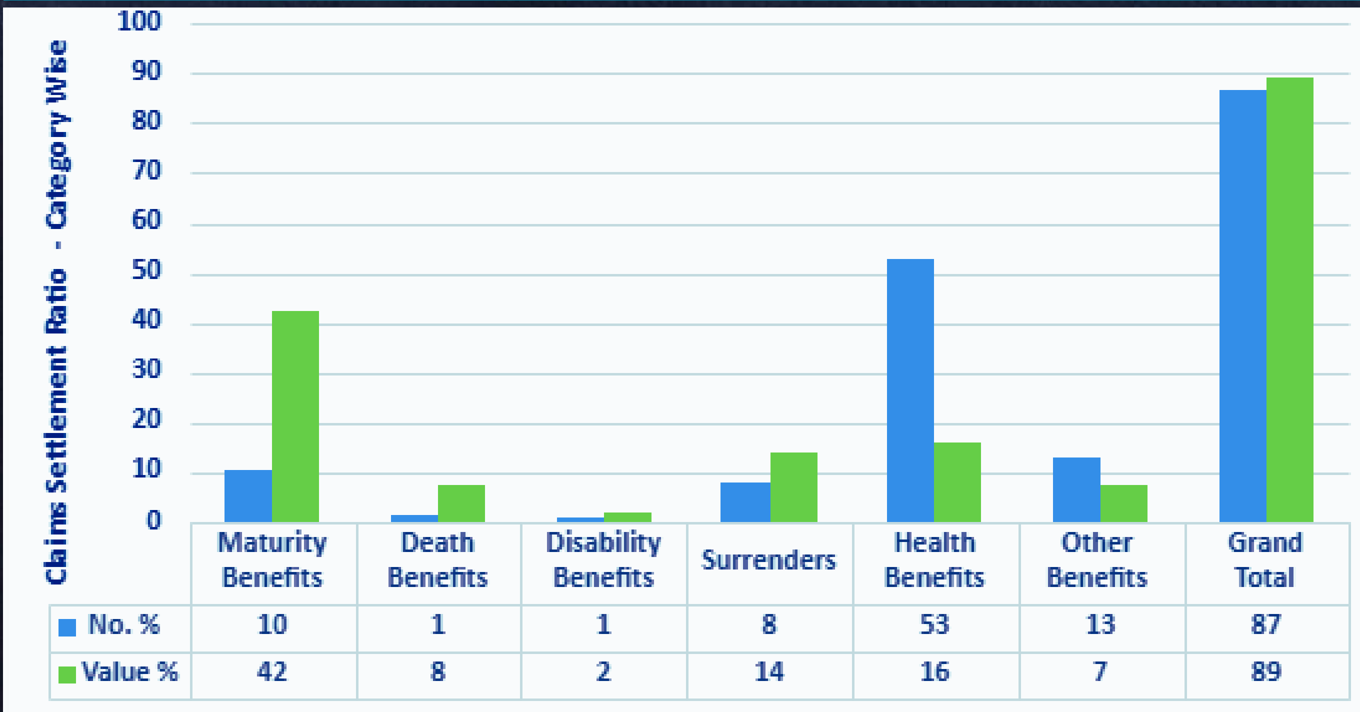


Long-term Insurance Claims Settlement Ratios by Category

Chart 05 illustrates claims settlements by benefit category, including maturity benefits, death benefits, disability benefits, surrender benefits, health benefits, and other benefits paid to policyholders. The data depicts the percentage of claims settled in terms of each sub-category against the total claims for the year 2025. Health benefits accounted for the largest share of claims settlements by number, representing 53% of all number of claims settled during the year. However, in value term, health benefit settlements comprised only 16% of total value of claims settled. In contrast, maturity benefits represented 10% of claims settled by number but accounted for 42% of the total value of claims settled.

The remaining categories, namely death benefits, disability benefits, surrender benefits, and other benefits, collectively contributed for 23% of claims settlements by number and 31% by value.

Chart 05 : Sub-Category wise Claims Settlements as a Percentage of Total Claims



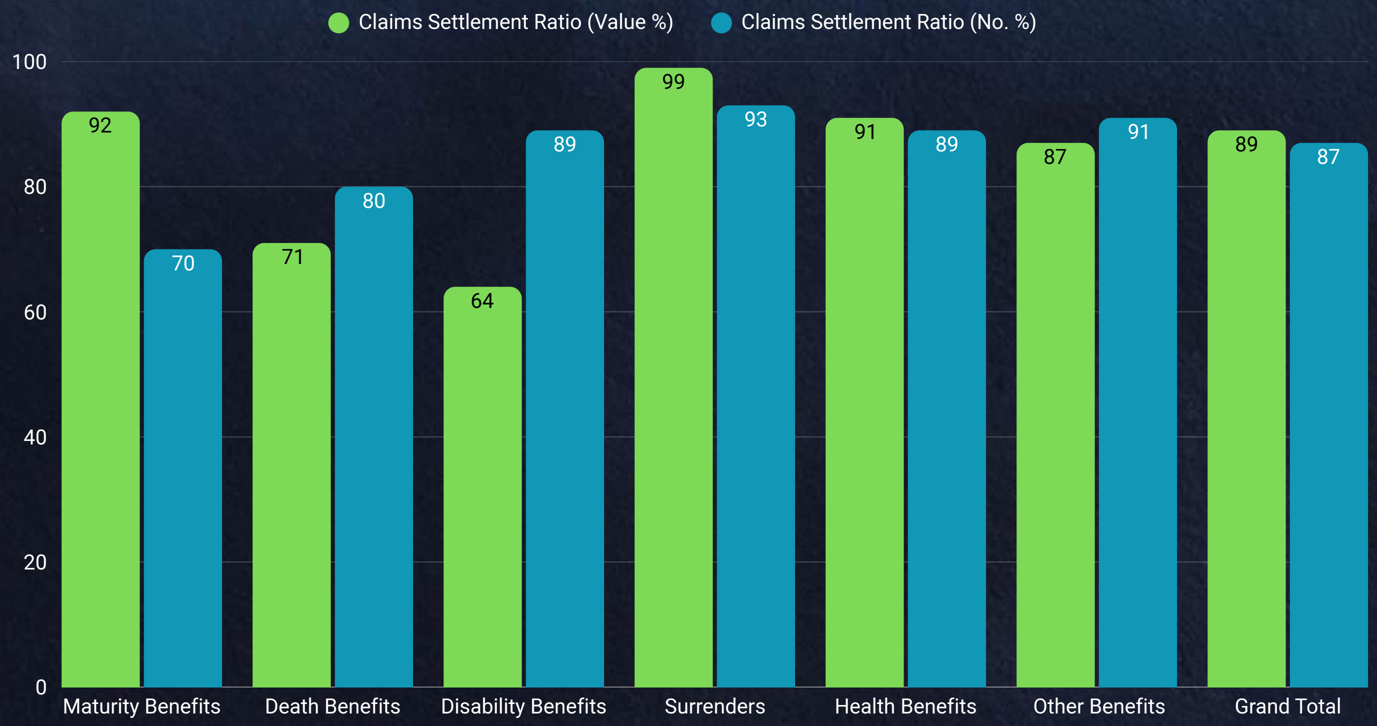
	Maturity Benefits	Death Benefits	Disability Benefits	Surrenders	Health Benefits	Other Benefits	Grand Total
No. %	10	1	1	8	53	13	87
Value %	42	8	2	14	16	7	89

Table 02 presents the percentage of claims settled under each sub-category relative to the total claims reported within the respective sub-category for the year 2025. Chart 06 illustrates these percentages graphically, providing a clearer and more easily understandable representation.

Table 02 : Sub-Category wise Claims Settlements against the Total Claims of Each Sub-Category

Sub Category	Total Claims Received		Total Claims Paid during the Year		Claims Settlement Ratio- Each Sub Category	
	No.	Value Rs.'000	No.	Value Rs.'000	No. %	Value %
Maturity Benefits	202,536	56,911,306	141,387	52,127,713	70	92
Death Benefits	25,134	13,121,908	20,017	9,372,568	80	71
Disability Benefits	18,309	3,824,550	16,243	2,455,332	89	64
Surrenders	118,157	17,302,781	110,349	17,099,242	93	99
Health Benefits	801,105	21,439,161	715,038	19,466,035	89	91
Other Benefits	192,058	10,165,721	175,031	8,880,707	91	87
Grand Total	**1,357,299**	**122,765,425**	**1,178,065**	**109,401,597**	**87**	**89**

Chart 06: Sub-Category wise Claims Settlement Ratios - Each Sub Category



NOTE - TABLES, CHARTS, AND DATA CONTAINED IN THIS REPORT ARE BASED ON THE STATISTICS REPORTED BY THE RESPECTIVE INSURANCE COMPANIES, INCLUDING ANY RELEVANT NOTES SUBMITTED ALONGSIDE THE STATISTICS.