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INSURANCE REGULATORY COMMISSION OF SRI LANKA

INSURANCE REGULATORY COMMISSION OF SRI LANKA

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REGULATION OF INSURANCE INDUSTRY ACT – DIRECTION

17th November 2026 **No. 09 of 2026**

DIRECTION ON DISCLOSURE OF COMPONENTS AND QUANTUM CONSTITUTING MOTOR INSURANCE PREMIUM

The Insurance Regulatory Commission of Sri Lanka (the Commission) with a view of standardizing components and certain quantum of charges applied by general insurers in respect of motor insurance policies, at its 279th meeting, has decided to issue this Direction to all general insurers.

While recognizing that insurers exercise commercial discretion in pricing, the Commission notes that material differences in certain charges may have implications for market consistency, pricing transparency, and policyholder understanding of motor insurance premium.

Therefore, to safeguard the interests of policyholders and potential policyholders, the Commission **directs insurers underwriting motor insurance business** to mandatorily disclose the components in the table below and quantum constituting the premium charged from the policyholder:

Premium Components	Amount (Rs.)	Rate
(A) Basic Premium	XXX	Company Rate
(B) SRCC (Strike, Riot, Civil Commotion)	XXX	NITF Tariff Rate
(C) TC (Terrorism Cover)	XXX	NITF Tariff Rate
(D)Gross Written Premium (GWP)	**XXX**	**D= A+B+C**
(E) Policy Fee (new/renewal)	XXX	Comprehensive – LKR 1500/-
		Third party – LKR 250/-
(F) Admin Fee (SSCL+CESS+IRCSL Annual Fee)	XXX	D * 3%
(G) Contribution for Road Safety Fund	XXX	2% from the 3rd party premium
(H) Stamp Duty	XXX	IRD (Inland Revenue Department) rate
(I) Applicable Taxes	XXX	(D + E+ F + G) * (rate of applicable taxes)
(J) Total Premium	**XXX**	**J = D+E+F+G+H+I**

If SRCC & TC premium component is 0 (Zero), this indicates that the insured has not obtained the SRCC& TC Cover.

The aforesaid components and quantum shall be included in the quotations, debit notes/invoices, and respective policy schedules /policy documents issued by the insurer pertaining to the motor insurance policies.

This direction shall be effective from 1st December 2026.

This direction is issued in terms of Section 96A of the Regulation of Insurance Industry Act, No. 43 of 2000.

Director General
For and on behalf of the Commission