

PRESS RELEASE

IRCSL Marks 25 Years of Regulatory Excellence and Transforming Sri Lanka's Insurance Landscape

The Insurance Regulatory Commission of Sri Lanka (IRCSL) is celebrating the 25th Anniversary of transforming Sri Lanka's insurance industry.

The IRCSL is the statutory body established under the Regulation of Insurance Industry Act No. 43 of 2000. Since its inception in 2001 (formerly known as the Insurance Board of Sri Lanka), the IRCSL has been entrusted with regulating, supervising, and facilitating the development of the insurance industry in Sri Lanka.

As a key pillar of the financial system, the IRCSL plays a vital role in enhancing public trust in insurance, promoting financial literacy, and fostering sound risk management practices across households and businesses. By ensuring a well-regulated, stable, and efficient insurance market, the IRCSL supports economic growth, encourages long-term savings, and contributes to social protection. Its role is critical in strengthening Sri Lanka's financial safety net and enabling individuals and enterprises to better manage financial shocks and uncertainties.

To mark this historic milestone, the IRCSL hosted a high-profile press conference to highlight its 25 years of regulatory excellence and unveil its ambitious roadmap for the future. During the event, the Commission's leadership shared key achievements from the past two decades, emphasizing how the IRCSL has evolved from a basic supervisory body into a modern, data-driven regulator.

Mrs. Damayanthi Fernando, Director General of the IRCSL, highlighted the Commission's transformative journey over the past two and a half decades. She noted that the IRCSL has successfully shifted from a rule based supervisory framework to a robust, modern risk based system. Through pivotal actions, from implementing Risk-Based Capital (RBC) models to driving recent digital transformations the Commission has balanced its dual role as a strict enforcer of policyholder protection and a facilitator of industry growth, ensuring the sector remains a resilient cornerstone of the economy.

Dr. Ajith Raveendra De Mel, Chairman of the IRCSL, stated: "As the Insurance Regulatory Commission of Sri Lanka celebrates its 25th anniversary, it is a timely moment to reflect on our achievements and prepare for the challenges ahead. Strengthening our staff and enhancing capacity is essential for the IRCSL to continue functioning as a modern, effective regulatory body. Ongoing professional development, knowledge sharing, and strategic reforms are required to ensure that our team performs at the highest professional standards."

He further emphasized the new initiatives taken to strengthen the insurance industry and improve policyholder protection. The conference served as a platform to announce upcoming digital

transformations, such as the Digital Motor Insurance Card, and the long-term goal of increasing insurance penetration across the country. By engaging directly with the media, the IRCSL reaffirmed its commitment to transparency, policyholder protection, and its mission to build a more financially resilient Sri Lanka.

The year 2025 was another successful year for the IRCSL as it carried out a host of key activities. It established the Market Intermediary Licensing and Supervision Division as well as a dedicated Market Conduct Unit to enhance regulatory oversight and consumer protection. Nation-wide insurance awareness campaigns were launched in Matara, Jaffna, and Kilinochchi, in collaboration with the insurance industry. Additionally, under the theme "Empowering the Future Insurance Leaders", "InsureChamp 2025", the inaugural Inter-University Insurance Quiz Competition was successfully held. Internally, separation of Administration and Finance functions into two distinct divisions helped ensure improved governance, accountability, and operational efficiency within the IRCSL.

Following the success of 2025, the IRCSL has mapped out multiple key initiatives for 2026. It launched Sri Lanka's Digital Motor Insurance Card with the Insurance Association of Sri Lanka (IASL) and the Ministry of Public Security, enhancing verification, transparency, and enforcement. It established a Centralized Motor Insurance Data Repository for real-time data sharing, supervision, and fraud prevention. Additionally, initiated the development of a standard mortality table that reflects the experience of all assured lives in Sri Lanka to enhance actuarial valuation, product pricing and risk management in Sri Lanka's life insurance industry will take place this year. In June, the IRCSL will be hosting the OECD/ADB Roundtable on Insurance and Retirement Savings, focusing on natural hazard protection gaps and retirement savings. The launch of the Insurance Roadmap targeting a doubling of insurance penetration by 2030 and tripling by 2035 is also due to take place this year. Furthermore, a National Insurance Awareness essay Competition to promote insurance literacy among youth in collaboration with the FALIA name in full - Japan has been announced.

Sri Lanka's insurance industry comprises 29 insurance companies (14 general insurers and 15 long-term insurers), 82 insurance brokering companies, and 29 loss adjusters. While the industry has demonstrated stable performance and financial resilience, the IRCSL will continue to lead initiatives that strengthen the insurance sector, enhance policyholder protection, and promote public confidence in insurance.

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