

PRESS RELEASE

IRCSL Spearheads Rapid Insurance Relief Efforts Following Cyclone Ditwah Devastation: Claims Surpass 24,500 with Total Value Exceeding Rs. 58.5 billion

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has intensified its national effort to ensure the expeditious settlement of insurance claims following the catastrophic impact of Cyclone Ditwah. Working in close collaboration with all 14 licensed general insurers, the IRCSL has established a unified mechanism to provide expeditious financial relief to affected families, households, businesses, and property owners.

Current Insurance Claim Status

As of January 19, 2026, the insurance sector has recorded a total of 24,549 claims. This reflects a steady increase in insured property.

Overall, non-motor insurance claims account for the larger share of the total financial impact, despite motor insurance representing the majority in claim volumes. The estimated total value of claims reported to the insurance industry has reached approximately LKR 58.5 billion, underscoring the severe financial impact of the disaster.

Category	Number of Claims Received	Estimated Value (LKR)	Value of Claims Paid (LKR) -including advances and ex-gratia
Motor Insurance	16,054	6,387,479,525	1,116,657,517
Non-Motor Insurance	8,495	52,106,288,741	4,023,227,273
Total Impact	24,549	58,493,768,266	5,139,884,790

A total financial relief of LKR 5.1 billion has been disbursed to affected policyholders, underscoring the insurance industry's commitment to timely recovery and financial stability. The non-motor segment accounts for the larger share of the payout value, amounting to LKR 4 billion, reflecting the higher severity and complexity associated with property and commercial losses.

Claims Admission Status

As part of the expedited relief process, the insurance industry has formally validated and admitted liability for a significant portion of the claims received.

Category	Number of Claims Received	Number of Claims Admitted	Admission Rate (%)
Motor Insurance	16,054	12,725	79.26%
Non-Motor Insurance	8,495	5,709	67.20%
Total	24,549	18,434	75.09%

The insurance industry has responded promptly in validating and admitting liability for reported losses. To date, insurers have formally admitted 18,434 claims, representing 75.09% of the total claims received. This includes 12,725 motor claims admitted out of 16,054 received, reflecting an admission rate of 79.26%, and 5,709 non-motor claims admitted out of 8,495 received, corresponding to an 67.20% admission rate.

Regulatory Action and Expedited Relief

The IRCSL has directed all licensed general insurance companies to expedite the assessment and settlement of remaining claims, in order to support national recovery efforts and ensure timely relief to affected individuals and businesses.

- **Immediate Relief**
Compensation for minor property damage continues to be fast-tracked, enabling affected households to commence urgent repairs and restore basic living conditions without delay.
- **Advance and Interim Payments**
Insurers have been instructed to release advance and interim payments for large and complex claims, thereby providing critical liquidity support to households and businesses during the recovery phase.
- **Reinsurance Support and Industry Stability**
The insurance sector remains financially resilient, with local insurers working closely with international reinsurance partners to mobilize the required funds and manage the impact of these exceptionally high claim payouts.

Challenges to Recovery

The IRCSL acknowledges that practical hurdles remain. Technical officers and service providers, including vehicle repair garages and loss adjustors/assessors, were themselves victims of the disaster in several regions.

Strengthening Future Resilience

This disaster has once again highlighted the critical role of insurance in strengthening financial resilience against climate-related risks. The IRCSL urges the public, local government authorities, and other relevant institutions such as the Urban Development Authority (UDA) and the Road Development Authority (RDA) to place greater emphasis on risk mitigation and climate-resilient construction practices, particularly in high-risk areas.

The IRCSL reaffirms its commitment to safeguarding policyholders' interests and ensuring that the insurance sector plays a proactive role in supporting Sri Lanka's recovery efforts and long-term disaster preparedness.

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