

NEWSLETTER

THE INSURANCE REGULATORY COMMISSION
OF SRI LANKA



INSURANCE
REGULATORY
COMMISSION OF
SRI LANKA

SEPTEMBER 2024

ISSUE 06

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National Insurance Day 2024 - 1st September & Insurance Awareness Month

Protection for Third Party Motor Accident Victims

Third Party Motor Insurance Compensation Package

Optional Compensation Scheme (OCS) for victims of motor vehicle accidents

The Insurance Regulatory Commission of Sri Lanka (IRC SL) has introduced an Optional Compensation Scheme through licensed general insurance companies to provide compensation to third-party victims of motor vehicle accidents or their legal heirs offering LKR 500,000/- on death and up to LKR 500,000/- for permanent disability, without having to go through court proceedings. It's important to note that despite the introduction of this new scheme, the existing legal avenues to seek compensation remain unaffected.

Implemented from 1st March 2024, this Optional Compensation Scheme was developed in collaboration with the Ministry of Transport and Highways and other key stakeholders in the transport sector. It signifies a noteworthy shift in the insurance landscape, demonstrating IRC SL's commitment to address

the needs of 3rd party accident victims in a more efficient and compassionate manner.

Under this scheme, persons, such as pedestrians and cyclists who are killed or permanently disabled in motor vehicle accidents are eligible for compensation. Compensation is provided by the registered general insurance company that has insured the motor vehicle involved in the accident, at least by a third-party motor insurance cover.

This compensation is paid without admitting any legal liability and on ex-gratia basis, by general insurance institutions registered with the IRC SL.

To obtain compensation, applicants must complete the designated application form provided in Circular No. 03 of 2024 issued by IRC SL, along with specified information, and submit it to the relevant insurance company that has insured the motor vehicle involved in the accident within six months of the death or permanent disability caused by the accident.

Compensation will be paid to the victim or his/her legal heirs. In case of death, the legal heirs will receive LKR 500,000/-, while those facing permanent disability receive up to LKR 500,000/-, subject to the limits outlined in the circular. It's worth noting that to qualify for compensation, the death or permanent disability must result from the motor vehicle accident and occur within 12 months of the accident.

This initiative marks a revolutionary step forward in the Sri Lankan insurance industry, showcasing the IRC SL's dedication to provide timely and meaningful support to accident victims and their families. If the compensation provided under this scheme is insufficient, victims or their heirs have the right to pursue legal action to seek appropriate compensation.



POLICYHOLDERS' CORNER



SEPTEMBER 2024

ISSUE 06



Understanding the Role and Responsibilities of a Loss Adjuster

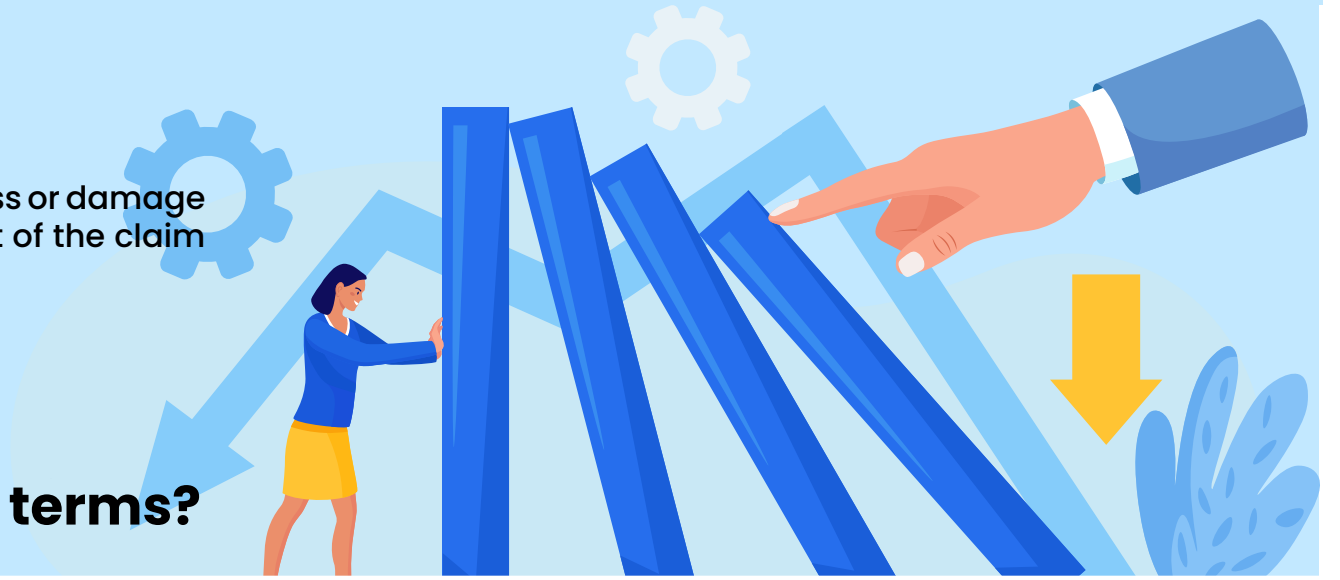
What is a Loss Adjuster?

“Loss Adjuster” is a person with specialized knowledge in investigating and assessing losses arising from insurance claims, registered as a loss adjuster under the provisions of the RII Act. They are independent professionals who do not have any personal or financial interest in the outcome of the insurance claim. This ensures that they can provide an unbiased assessment and evaluation of the loss or damage.

What Does a Loss Adjuster Do?

Responsibilities include:

- Investigating the circumstances surrounding the loss or damage
- Gathering evidence and documentation in respect of the claim
- Assessing the extent of the loss or damage
- Estimating the cost of repairs or replacement
- Providing a detailed report on loss or damage



Are you aware of life insurance terms?

Participating policy	A participating policy is a type of life insurance policy that allows policyholders to participate in the profits of the insurance company which is usually paid as bonus .
Non-participating policy	A non-participating policy in life insurance is a type of insurance policy where the policyholder does not participate in the profits or surplus of the insurance company.
Riders	Riders refer to additional provisions or supplementary coverage options that policyholders can attach to their insurance policies to customize or enhance their coverage.
Grace Period	Grace period refers to a specified period of time after a premium payment due date during which the policyholder can make the payment without facing any penalties or the risk of policy termination.
Free Look Provision	Free look provision in insurance refers to a consumer protection feature that allows policyholders a specified period of time to review their newly purchased insurance policy and decide whether to keep it or cancel it without penalty.
Bonus	In life insurance, a bonus is an additional amount added to the policy's value, typically in participating (with-profits) policies. Bonuses are usually declared annually by the insurance company and can come in different forms.

රක්ෂණ උපදෙස්

01

ඔබේ අවශ්‍යතා හඳුනාගන්න:

රක්ෂණයක් මිලදී ගැනීමට පෙර, ඔබේ අවශ්‍යතා හඳුනාගන්න. ඔබට අවම කරගත යුතු අවදානම් (සෞඛ්‍යය, දේපළ, ජීවිත හෝ වෙනත්) පිළිබඳ හොඳින් තේරුම් ගන්න.

රක්ෂණවරණ කිහිපයක් සසඳන්න:

ඔබට ලැබෙන පළමු මිල කැඳවුම ගැන පමණක් සලකා තීන්දුවකට නොපැමිණෙන්න. රක්ෂණවරණ කිහිපයක මිල ගණන්, ප්‍රතිලාභ, විකල්ප ආවරණයන්, සමාගමේ සේවා ගුණාත්මකභාවය සහ පාරිභෝගික සමාලෝචන සංසන්දනය කර ඔබේ අවශ්‍යතාවයට සහ වැයකළ හැකි මුදලට ගැළපෙන හොඳම රක්ෂණවරණය තෝරාගන්න.

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අධි රක්ෂණයක් හෝ උණ රක්ෂණයක් නොකරන්න:

ප්‍රමාණවත් රක්ෂණවරණයක් තිබීම වැදගත් වන අතර, අනවශ්‍ය රක්ෂණවරණ හෝ අවශ්‍ය රක්ෂණ සීමාවන්ගෙන් ඔබ්බට රක්ෂණවරණ මිලදී ගැනීමෙන් වළකින්න. තවද, ඔබව මූල්‍ය අලාභවලට ගොදුරු විය හැකි වන අයුරින් අවම රක්ෂණවරණයක් නොලැබෙන ආකාරයෙන් උණ රක්ෂණය කිරීමෙන් වළකින්න.

காப்புறுதிக் குறிப்புகள்

01

உங்கள் தேவைகளை மதிப்பிடுங்கள்:

காப்புறுதியைப் பெற்றுக்கொள்வதற்கு முன், உங்கள் தேவைகளை மதிப்பீடு செய்யுங்கள். உடல்நலம், சொத்து, ஆயுள் அல்லது ஏனையவை என நீங்கள் எவ்வகையான அபாயங்களைக் குறைக்க விரும்புகிறீர்கள் என்பதைப் புரிந்து கொள்ளுங்கள்.

02

விபரங்களைத் திரட்டிய பின் வாங்கவும்:

நீங்கள் பெறும் முதல் காப்புறுதி முன்மொழிவை மட்டும் வைத்துக்கொண்டு தீர்வு காண வேண்டாம். உங்கள் தேவைகள் மற்றும் பட்ஜெட்டுக்கான சிறந்த பூட்கையைக் கண்டறிய பல காப்புறுதி வழங்குநர்களிடமிருந்து விலைகள், அவர்கள் வழங்கும் இழப்பீட்டு தேர்வுகள் மற்றும் வாடிக்கையாளர் மதிப்புரைகளை ஒப்பிடவும்.

03

அதிக காப்பீடு அல்லது குறைவான காப்பீட்டைச் செய்ய வேண்டாம்:

போதுமான இழப்பீட்டை பெற்றுக்கொள்வதற்கான காப்புறுதியை வைத்திருப்பது முக்கியம் என்றாலும், தேவையற்ற பூட்கைகள் அல்லது இழப்பீட்டு வரம்புகளை வாங்குத் தவிர்க்கவும். மறுபுறம், நீங்கள் குறைந்தபட்ச தேவையான இழப்பீட்டுப் பொதியைத் தேர்ந்தெடுப்பதன் மூலம் நிதி இழப்புகளுக்கு ஆளாகக்கூடிய காப்புறுதியைச் செய்யாதீர்கள்.



සිත්තරා
ART COMPETITION

In celebrating the National Insurance Day (1st September) and National Insurance Month, we're excited to invite your children to join the 'Siththara' Art Competition! Your children have a chance to win exciting prizes.

Please visit our Facebook page via the link below for more details on how to enter the competition:

<https://www.facebook.com/ircslofficialpage/>



Q & A - National Insurance Day & Insurance Awareness Month 2024

Voice Your Suggestions through "Q & A - National Insurance Day & Insurance Awareness Month 2024"

We kindly request you to spare a few minutes and answer this simple questionnaire to share with us your suggestions on how the IRCSL can improve insurance inclusiveness

Simply scan the QR code or click the link to fill out the Q & A form and submit your thoughts and ideas.

Link: <https://forms.office.com/r/TicqAhpwn0>

IRC SL Regulatory Updates as at 31st August 2024

Directions/Guidelines	Description
Direction No.01 of 2024	The direction is issued in respect of 'Cooling off Period', 'Guaranteed and Non-guaranteed Benefits', 'Applicable Policy Schedule' and 'Minimum Policy Period for Endowment Products including Single Premium Endowment Products' pertaining to long-term insurance products. Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/03/Direction-1-of-2024.pdf
Direction No. 02 of 2024	The direction is issued to insurers and brokers on qualifications of insurance agents (Verification of Educational Qualifications of Insurance Agents). Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/03/Direction-2-of-2024-8th-February-2024-Direction-issued-to-insurers-and-brokers-on-qualifications-of-insurance-agents-verification-of-qualifications-of-insurance-agents.pdf
Direction No. 03 of 2024	The direction is issued on Advertisements Issued By Insurers, Insurance Brokers and Insurance Agents. Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/05/Direction-on-Advertisements-No.-03-of-2024.pdf
Direction No. 04 of 2024	The direction is issued in respect of Terms and Conditions prior to declaring and distributing dividends (including interim dividends) to shareholders. Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/05/Direction-4-of-2024.pdf
Direction No. 05 of 2024	The direction is issued on Sale of insurance products to customers of Mobile Network Operators; (MNOs) and Fixed Line Operators; (FLOs) through the usage of data and platform of MNOs and FLOs Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/08/Direction-5-of-2024.pdf
Guidelines on Policy Framework for Long Term Insurance Products 09.08.2024	This Guidelines Issued On Policy Framework For Long Term Insurance Products Applicable to All Long-Term Insurance Companies Visit for more information: https://ircsl.gov.lk/wp-content/uploads/2024/08/Guidelines-on-Policy-Framework-for-Long-Term-Insurance-Products.pdf



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