

# **LIFE INSURANCE CLAIMS SETTLEMENT STATISTICS IN SRI LANKA FOR 2023**



INSURANCE REGULATORY  
COMMISSION OF  
SRI LANKA

# Claims Settlement Statistics – 2023

## Long Term Insurance Business

This report presents a comprehensive analysis of claims data from the Sri Lankan insurance industry for the year 2023, focusing on the "Claims Settlement Ratio" within the long-term insurance sector.

This analysis serves to provide a deeper understanding of insurers' performance and their commitment to honoring claims efficiently and responsibly over the past year.

## Claims Settlement Ratio (CSR)



The claims settlement ratio is the percentage of claims an insurer has settled during the financial year against the total claims received, including pending claims carried forward from the previous years.

$$\text{Claims Settlements Ratio} = \frac{\text{Claims Settled}}{\text{Claims Received}} * 100$$



# Life Insurance Industry Claims Highlights

Chart 1 – Claims Highlights: Life Insurance

 No. of Claims Paid	Value of Claims Paid 
<p>2023</p> <p><b>774,541</b></p> <p><b>85%</b></p> <p>Claims Settlement Ratio</p>	<p>Over</p> <p><b>Rs. 80 Billion</b></p> <p>Claims paid</p> <p><b>89%</b></p> <p>Claims Settlement Ratio</p>
<p>2022</p> <p><b>585,598</b></p> <p><b>83%</b></p> <p>Claims Settlement Ratio</p>	<p>Over</p> <p><b>Rs. 64 Billion</b></p> <p>Claims paid</p> <p><b>87%</b></p> <p>Claims Settlement Ratio</p>
<p>2021</p> <p><b>538,228</b></p> <p><b>80%</b></p> <p>Claims Settlement Ratio</p>	<p>Over</p> <p><b>Rs.46 Billion</b></p> <p>Claims paid</p> <p><b>83%</b></p> <p>Claims Settlement Ratio</p>

**Table 1 - Claims Statistics - Long Term Insurance Business**

Year	Total Claims*		Total Claims Settled/Paid during the year		Claims Rejected		Total Claims Outstanding (End of the year)	
	No.	Value Rs. '000	No.	Value Rs. '000	No.	Value '000'	No.	Value Rs. '000
2023	914,507	90,493,221	774,541	80,639,357	45,657	1,552,667	88,572	8,022,661

*\*Total claims is the sum of the total claims intimated during the year and the pending claims carried forward from previous years.*

The claims settlement by long term insurance companies is over Rs. 80.6 billion for the year 2023. In terms of number, the total no. of claims paid is Rs. 774,541.

**Table 2 - Claims Settlement Ratios of the Long Term Insurance Companies**

Year	Total Claims Settlement Ratio		Total Claims Rejection Ratio		Total Claims Outstanding Ratio (End of the year)	
	Number	Value	Number	Value	Number	Value
2023	85%	89%	5%	2%	10%	9%

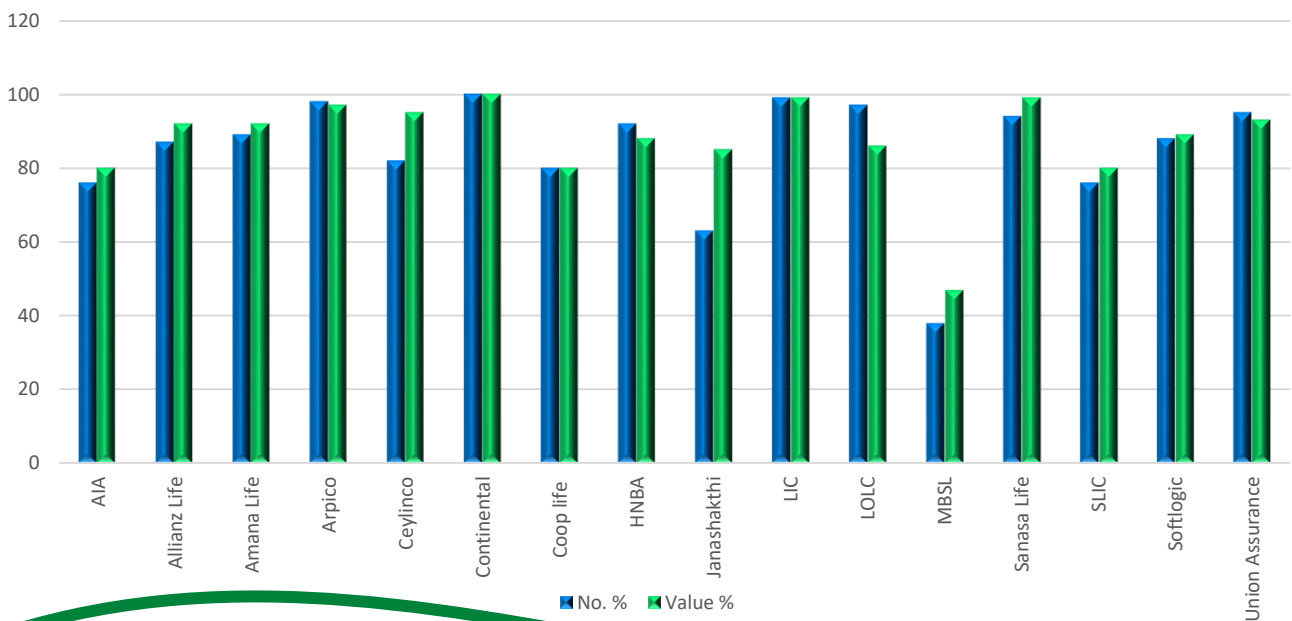
The average claims settlement ratio (in value) of life insurance companies is 89% while the total average claims settlement ratio (in number) is 85%. A considerable amount of claims not settled during the year is carried over to 2024. According to the statistics submitted, the percentage of claims carried forward for 2024 is 10% in number and 9% in value

## Claims Settlement Ratios - Company Wise

Chart 2 showcases the claims settlement ratios of the long term insurance companies in the year 2023. As depicted in chart 2, ten (10) long term insurance companies maintain a claims settlement ratio above the industry average in terms of number, and nine (09) insurance companies maintain a claims settlement ratio in line with or above the industry average in terms of value.

**Chart 02 – Claims Settlement Ratios of the Long Term Insurance Industry**

**Long Term Insurance Claims Settlement Ratio**



	AIA	Allianz Life	Amana Life	Arpico	Ceylinco	Continental	Coop life	HNBA	Janashakthi	LIC	LOLC	MBSL	Sanasa Life	SLIC	Softlogic	Union Assurance
<b>No. %</b>	76	87	89	98	82	100	80	92	63	99	97	38	94	76	88	95
<b>Value %</b>	80	92	92	97	95	100	80	88	85	99	86	47	99	80	89	93

## Claims Settlements - Sub Category wise

**Chart 3 - Sub Category wise Claims Settlements as a Percentage of Total Claims**

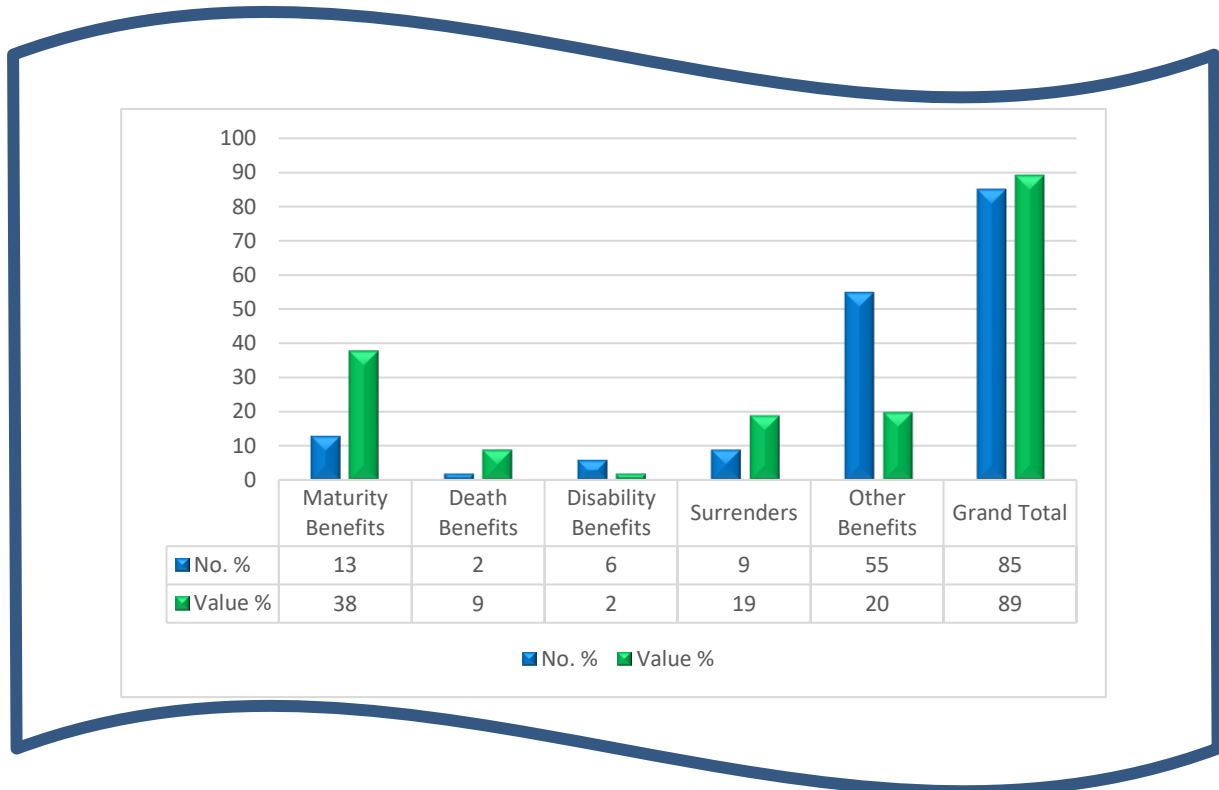


Chart 3 illustrates the sub category wise claims settlements, which includes maturity benefits, death benefits, disability benefits, surrenders and other benefits paid to policyholders. The data depicts the percentage of claims settled in terms of each sub category against the total claims for the year 2023.

The claim settlements for the "Other Benefits" category is reported as 55% and 20% in terms of number and value respectively. Maturity benefits consists of 13% and 38% of the claims settlements in terms of number and value respectively. The remaining three categories namely, death benefits, disability benefits and surrenders collectively accounted for 17% in terms of number and 30% in terms of value.

**Table 03 – Sub category wise claims settlements against the total claims of each sub category**

Sub Category	Total Claims		Total claims paid during the year		Claims settlement percentage (each sub category)	
	No.	Value Rs. 000'	No.	Value Rs. 000'	No. %	Value %
Maturity Benefits	173,539	38,261,694	120,737	34,737,691	70	91
Death Benefits	20,662	11,260,276	15,464	8,324,060	75	74
Disability Benefits	55,462	3,152,225	52,873	2,144,748	95	68
Surrenders	82,980	17,384,787	81,354	17,329,562	98	100
Other Benefits	581,864	20,434,237	504,113	18,103,297	87	89
<b>Grand Total</b>	<b>914,507</b>	<b>90,493,221</b>	<b>774,541</b>	<b>80,639,357</b>	<b>85</b>	<b>89</b>

The table 03 depicts the percentage of claims settlement of each subcategory against the total claims for the year in terms of the same sub category for the year 2023.

**Note - Table and charts depicted in this report are based on the statistics provided by the insurance companies and any specific notes provided along with the statistics.**