

Insurance Regulatory Commission of Sri Lanka

Optional Compensation Scheme for third party victims of Motor Vehicle Accidents – for Death or Permanent Disability

Circular issued to General Insurance Institutions registered under the Regulation of Insurance Industry Act, No.43 of 2000

Date: 26.02.2024

No. 03 of 2024

Introduction

1. This is an optional compensation mechanism available for third-party victims of motor vehicle accidents mentioned in paragraph 3, or their legal heirs mentioned in paragraph 4 of this circular, to obtain compensation out of the Court system.

The implementation of this optional compensation scheme does not restrict the right of a person to obtain compensation through the existing legal system.

2. This compensation is paid without admitting any legal liability and on ex-gratia basis, by general insurance institutions registered with the Insurance Regulatory Commission of Sri Lanka (IRC SL) which are listed in "Annexure 01" hereto.

Any violation or breach of a clause or condition in the insurance policy of the motor vehicle which caused the accident will not hinder a third party from obtaining compensation under this scheme.

Persons who are considered as third-party victims under this scheme

3. Persons who die or become permanently disabled as described in Annexure 02(a) hereto, due to a motor vehicle accident except the persons mentioned under paragraphs (5), (6) and (7) of this circular.

Payment of Compensation

4. Compensation will be paid to the 3rd party victim or his/her legal heirs in the following manner:
 - a. In the event of a death of a victim (the victim must be over 18 years of age) payment of compensation is made to the following persons;
 - i. If the victim is married, to the spouse and minor children;
 - ii. If the victim is unmarried, to his/her parents.

- b. In the event a victim is in a state of permanent disability (total/partial) as described in Annexure 02(a) herein, compensation will be paid to the victim. If it is practically impossible to make the payment to the victim, then, compensation is paid to the following persons in favour of the victim:
 - i. If the victim is a minor or an unmarried person, to his/her parents; or
 - ii. If the victim is married, to his/her spouse and if the spouse is not living, to the children.

Persons who are excluded from this optional compensation Scheme

5. Drivers, employees and passengers of a motor vehicle who die or suffer permanent disability due to a motor vehicle accident.
6. Persons who collide with motor vehicles intentionally to obtain compensation.
7. Persons who die or become permanently disable as a result of an accident of a motor vehicle involved in an act of riot or terrorism.

Amount of Compensation

8. Compensation will be paid to one victim for any one accident as follows:
 - a. In the event of a death, rupees five hundred thousand (Rs. 500,000/-);
 - b. In the event of a permanent (total/partial) disability, in accordance with the limits mentioned in Annexure 02(a) herein, subject to a maximum compensation limit of rupees five hundred thousand (Rs. 500,000/-);

Terms and Conditions of Payment of Compensation

9.
 - a. It is mandatory for the motor vehicle to have a minimum of a third-party motor insurance policy issued by an insurance institution mentioned in Annexure 01 hereto.
 - b. Death or permanent (total/partial) disability should be the result of a motor vehicle accident.
 - c. Death or permanent (total/partial) disability should occur or should have commenced to occur within 12 months of the motor vehicle accident.
 - d. Application for compensation should be submitted to the respective insurance institution within 6 months of the happening of death or permanent (total/partial) disability.

Application for Compensation

10. The application form and the instructions on how to make an application under this scheme are included in "Annexure 02" hereto.

Right to go to Court

11. A victim or his/her legal heirs who has obtained compensation under this scheme may file a case in Court with respect to the same accident, in order to obtain additional compensation, in case if he/she believes that the compensation already received under this scheme is inadequate, given the magnitude of the damage caused by the accident.
12. In such a case, if the Court decides in favour of the victim, the insurance institution may request the Court to determine the quantum of final compensation considering the amount of compensation already paid to the victim or his/her legal heirs under this scheme.
13. Awarding compensation under this scheme does not affect the right of the insurance institution to challenge a claim in terms of the insurance contract, in a lawsuit filed against the insurance institution.

Settlement of Disputes

14. Disputes between the victim or his/her legal heirs and the insurance institution regarding compensation under this scheme are to be resolved by the National Council for Road Safety when necessary legal framework is stipulated for same. Until such time, disputes under this scheme will be resolved by the Insurance Ombudsman (Details of the Insurance Ombudsman are given in the "Instructions for Applicants" form in "Annexure 02").

Date of implementation of this scheme

15. This Scheme will be applicable for the motor vehicle accidents that occur with effect from **01st March 2024**.

Sgnd Director General
As per the order of the Insurance Regulatory Commission of Sri Lanka
Tel: +94 11 2396181
dg@ircsl.gov.lk | www.ircsl.gov.lk

Annexure 01

General Insurance Institutions registered with Insurance Regulatory Commission of Sri Lanka (As at 2024.03.01)

Name of the Insurance Institution	Address of Head Office	Contact No.
1. Allianz Insurance Lanka Ltd.	Levels 25-7, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02.	0112 303 300
2.Amana Takaful PLC	660-1/1, Galle Road, Colombo 03	0117 501 000
3.Ceylinco General Insurance Limited	Ceylinco House, 3rd Floor, No. 69, Janadhipathi Mawatha, Colombo 01	0114 702 702
4. Continental Insurance Lanka Ltd.	No. 79, C. W. W. Kannangara Mawatha, Colombo 07.	0112 800 200
5. Cooperative Insurance Company Ltd.	"Co-operative Insurance House", No. 74/5, Grandpass Road, Colombo 14	0112 557 300
6. Fairfirst Insurance Limited	Access Towers II (14th Tower), 278/4, Union Place, Colombo 02.	0112 428 428
7. HNB General Insurance Ltd.	Iceland Business Centre, No. 30, Sri Uttaranda Mawatha, Colombo 03	0114 883 883
8. LOLC General Insurance PLC	No. 481, T. B. Jayah Mawatha (Darley Road), Colombo 10	0115 008 080
9. National Insurance Trust Fund	95, Chittampalam A Gardiner Mawatha, Colombo 02	0112 026 600
10. Orient Insurance Limited	No. 133, New Bullers Road, Colombo 04.	0117 454 454
11. People's Insurance Ltd.	No. 07, Havelock Road, Colombo 05	0112 206 306
12. Sanasa General Insurance Company Limited	No. 172, Elvitigala Mawatha, Colombo 08	0112 200 300
13. MBSL Insurance Company Ltd.	No. 519, T. B. Jayah Mawatha, Colombo 10.	0112 304 500
14. Sri Lanka Insurance Corporation General Limited	No. 21, Vaxhaull Street, Colombo 02.	0112 357 357

Further information related to the relevant institutions can be obtained through the website of the Insurance Regulatory Commission of Sri Lanka (www.ircsl.gov.lk)

Annexure 02

Optional Compensation Scheme for Third Party Victims of Motor Traffic Accidents for Death and Permanent Disability

Application for Compensation

N.B. Complete this application form after properly reading and understanding the instructions mentioned in pages 6 & 7 below.

Section 01

Particulars of the Applicant

1.1 Full Name:

1.2 Postal address:

1.3 Occupation:

1.4 Place of Work:

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1.5 Contact Number:

Mobile : Fixed Line :

1.6 Date of Birth: Year Month Date

1.7 National Identity Card Number:

1.8 Sex :

1.9 Marital Status:

1.10 Relationship to the Person Deceased / Permanently Disabled:

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Section 02

Particulars of the Person Deceased / Permanently Disabled

2.1. Full Name

2.2. Postal Address:

2.3. Contact Number:

2.4. Date of Birth: Year Month Date

2.5. National Identity Card Number:

2.6. Sex:

2.7. Marital Status:

2.8 Full Name of the Spouse:

2.9. Full Name and Age of each Child, if any:

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2.10 Names of the Parents, if alive:

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Section 03

Details of the Accident

3.1. Nature of the Accident: FatalCritical Injuries

3.2 Date of the Accident: YearMonthDate.....

3.3 Time of the Accident:a.m./p.m.

3.4 Place of the Accident:

3.5 If persons other than the injured / deceased had died or got injured by the accident, names of such persons (If known)

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3.6 District of the place of accident:

3.7 Police station to which the accident was reported:

3.8 Date on which the accident was reported to the police station:
Year Month Date

3.9 Time at which the accident was reported:a.m./p.m

3.10 Number under which the accident was recorded at the police station:

3.11 Details of the vehicle which caused the accident (Can be obtained from the police station at which the accident was reported)

- Type of Vehicle:

- *Vehicle Number:

-* The Insurance Company which insured the vehicle:

- Insurance policy number:
(*Required)

3.12 Details of the driver who caused the accident (Can be obtained from the police station at which the accident was reported):

- Full Name:

- National Identity Card Number:

Section 04

Medical Evidence

Should be completed by the Medical Officer in charge of the ward of the hospital to which the patient was admitted

4.1 Full Name of Patient :

4.2 Name of the hospital :

4.3 Date on of Admission:

Date of discharge:.....

4.4 Nature of the injury:.....

4.5 Is the patient permanently disabled?

4.6 Type of injury of the patient (out of the list of disabilities identified in Annex 02 (a) of the compensation scheme)

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4.7 Other details

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Name of the Medical Officer:

Signature:

Official Stamp:

*N.B. Medical Officer means a Medical Officer registered with the Sri Lanka Medical Council or Ayurvedic Doctor registered with the Ayurvedic Medical Council.

I hereby certify that the above particulars are accurate to the best of my knowledge.

.....
Signature of the Applicant

.....
Date

Certification of Grama Niladhari and Divisional Secretary

I hereby certify that the above mentioned applicant
(Name), is known to me and he/ she is permanently residing at this division and the particulars furnished by him/ her are true and accurate to the best of my knowledge.

.....
Signature of Grama Niladhari
Official Stamp

.....
Date

.....
Signature of the Divisional Secretary
Official Stamp

.....
Date

Instructions for the applicants

1. Information on the optional compensation scheme for third party victims of motor traffic accidents – death or permanent disability are stipulated in Circular No: 03 of 2024 issued by the Insurance Regulatory Commission of Sri Lanka on 26.02.2024. For more details visit www.ircsl.gov.lk.
2. The completed application form along with copies of documents mentioned herein certified by the Divisional Secretary (except where originals are required) should be handed over to the insurance institution which insured the vehicle that caused the accident, within 6 months from the date on which the death or permanent disability occurred. Please obtain a signed acknowledgement from the insurance institution.
3. The Application Form of this optional compensation scheme can be obtained as follows:
 - i) From all the Police Stations
 - ii) From all the Divisional Secretariats
 - iii) From Insurance Regulatory Commission of Sri Lanka, 11th Floor, East Tower, World Trade Center, Colombo 01 or by visiting www.ircsl.gov.lk or the Facebook Page of IRCSL
 - iv) From National Council for Road Safety, Ministry of Transport, No: 01, D.R. Wijewardhana Mawatha, Colombo 10
 - v) From www.roadsafety.gov.lk or visiting “roadsafety sri lanka” Facebook Page
 - vi) From branches of all General Insurance Institutions
4. Information on General Insurance Institutions registered with the Insurance Regulatory Commission of Sri Lanka is available at www.ircsl.gov.lk.
5. If an Insurance Institution rejects a request for compensation or if the compensation paid does not comply with the percentages indicated in Annexure 2(a) herein, you may forward an appeal to the Insurance Ombudsman. Details of the Insurance Ombudsman are indicated below:

Address: Insurance Ombudsman
Office of the Insurance Ombudsman
No: 143A, Vajira Road
Colombo 05
Telephone + 94 11 250 5542/ + 94 11 2505041
Email - info@insuranceombudsman.lk
Website <https://insuranceombudsman.lk>
6. Further details with regard to this scheme can be obtained through the Hotline 0112 396 188 of the Insurance Regulatory Commission of Sri Lanka.

The application should be submitted to the respective Insurance Institution along with copies of the following documents certified by the Divisional Secretary. Originals should be submitted where required.

For Permanent Disability claims

- (1) Certified copies of the National Identity Cards of the Applicant and the victim of the accident;
- (2) Police Report (Should be completed by the Police Station to which the accident was reported (*Original));
- (3) Diagnosis Card issued by the hospital (Name of the Medical Officer, signature, official stamp and date should be included) and certified copies of other medical reports;
- (4) Certified copies of Birth Certificates of the Applicant and the victim of the accident;
- (5) In cases where the applicant is the spouse of the victim of the accident, a certified copy of the Marriage Certificate.

For Death Claims, following documents should be submitted in addition to the above documents:

- (1) Certified copies of the Death Certificate and the Coroner's Report;
- (2) Certified copies of Birth Certificates of the children of the deceased (Birth certificates of the boys less than 18 years of age and girls less than 20 years of age at the time of the death);
- (3) If the deceased is unmarried, a certificate of Grama Niladhari counter signed by Divisional Secretary or a formal Affidavit to prove same. (*Original).

Annexure 2(a)

List of injuries deemed to result in Permanent (Total/Partial) Disablement and the respective percentages of Compensation

Injury	Percentage of Compensation
Permanent and incurable paralysis of the limbs or injuries resulting in being permanently bedridden	100
Permanent incurable loss of mental capacity resulting in fatal incapacity to work or any other injury causing fatal incapacity to work	100
Eye Injuries	
(i) Total loss of sight in both eyes	100
(ii) Total loss of sight in one eye	80
Hearing Injuries	
(i) Total loss of hearing	80
(ii) Total loss of hearing in one ear	50
Loss of Speech	
(i) Total loss of speech	100
Sensory Loss	
(i) Total loss of sense of smell and taste	60
(ii) Total loss of sense of smell	60
(iii) Total loss of sense of taste	60
Arm Injuries	
(i) Loss of arm at or above elbow	85
(ii) Loss of arm at or below elbow	80
Hand Injuries	
(i) Loss of both hands	100
(ii) Loss of hand or loss of thumb and four fingers	80
(iii) Loss of thumb (both phalanges)	50
(iv) Loss of thumb (one phalanx)	40
(v) Loss of four fingers	80
Loss of Index finger	
(i) Three phalanges	50
(ii) Two phalanges	40
(ii) One phalanx	20
Loss of middle, ring and little fingers	
(i) Three phalanges	30
(ii) Two phalanges	20
(ii) One phalanx	15

Loss of Leg	
(i) at or above knee	90
(ii) at or below knee	80
Foot Injuries	
(i) Loss of both feet	100
(ii) Loss of one foot	90
Loss of Toes	
(i) Great toe-both phalanges	40
(ii) Great toe-one phalanx	20
(iii) Other than great toe, if more than one lost, each	20
Miscellaneous	
(i) Total loss of genitals	75
(ii) Partial loss of genital	60
(iii) Severe facial scarring or disfigurement	90
(iv) Severe bodily disfigurement, other than facial scarring or disfigurement to a maximum of	60
(v) Loss of single tooth	10
(vi) Loss of any member or part thereof not mentioned above (e.g. nose, breast, ear etc.) to be assessed by a medical officer up to a maximum of	60."