



BY REGISTERED POST/FAX

26th March 2015

Ref: IBSL/DG/LEG/15/03/189

Chief Executive Officers of all Insurance Companies

Dear Madam / Sir,

**Settlement of Insurance Claims-Insurance Board of Sri Lanka: Direction # 06 –26.03.2015
Issued under section 96 A of the Regulation of Insurance Industry Act, No. 43 of 2000**

The Board of IBSL at its 147th meeting has decided to issue the following direction to all insurers in terms of section 96 A of the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act):

- a. Every insurer shall pay the claim amount due (in respect of claims arising out of policies of insurance issued by it):
 - i. within sixty days of the admission of liability; and
 - ii. upon establishment of the identity of the claimant.
- b. If for any reason the insurer is unable to pay the claim within the period specified above, the insurer shall make a request to IBSL for an extension of time and IBSL may grant an extension of time where IBSL considers such extension to be reasonable.

This Direction is issued in view of deletion of Regulation # 30 and most of the Regulations made in the year 1987 under the Control of Insurance Act, No. 25 of 1962.

The above Direction shall come into force with immediate effect.

Please acknowledge receipt of this letter.

Yours faithfully,


Damayanti Fernando
DIRECTOR GENERAL
GRN/PG

Cc: Mr. Prakash Schaffter, President, Insurance Association of Sri Lanka
Mr. Upali Samarasinghe, Secretary General, Insurance Association of Sri Lanka
Mr. Reza Ghiasudeen, President, Sri Lanka Insurance Brokers Association