

# NEWSLETTER

INSURANCE REGULATORY COMMISSION OF SRI LANKA



SEPTEMBER 2021

ISSUE 1

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IRCSL is established in terms of provisions of the Regulation of Insurance Industry (RII) Act, No. 43 of 2000 with effect from March 01, 2001. Since then, the IRCSL regulates, supervises and facilitates the development of the insurance industry for the last 20 consecutive years with the object of safeguarding the interest of policyholders. The main object and responsibility of the IRCSL is to ensure that insurance business in Sri Lanka is carried on with integrity and in a professional and prudent manner with a view to safeguarding the interest of policyholders and potential policyholders.

During the 20 years, the IRCSL has achieved many milestones including issuance of various rules, regulations and guidelines for effective regulation and supervision of the insurance industry to meet its objectives.



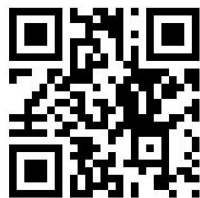
INSURANCE REGULATORY  
COMMISSION OF  
SRI LANKA (IRCSL)  
MARKED ITS



As part of the anniversary celebrations, the IRCSL's revamped website, Facebook, LinkedIn Page and the YouTube Channel were launched with the objective of disseminating messages on insurance awareness creation.



If You Wish To Receive  
**IMPORTANT INSURANCE TIPS**  
VIA SMS, PLEASE VISIT THE IRCSL  
Facebook Page  
AND INBOX YOUR MOBILE NUMBER





## ARE YOU AN INSURANCE POLICY HOLDER?

# Rights and Duties

KNOWING YOUR RIGHTS AND FULFILLING YOUR DUTIES WILL ENSURE SATISFACTORY INSURANCE COVERAGE AND GIVE YOU PEACE OF MIND!

### WHEN BUYING AN **INSURANCE POLICY**

Fill in the proposal form by yourself correctly and truthfully

After you place your signature, you will be responsible for any information in this document

Disclose “all material information” about the risk you want to cover

Select the term of the policy as per your needs and the amount of premium you can afford to pay

Choose your premium paying frequency such as annually, half-yearly, quarterly or monthly

Fill the nominee’s name correctly

Ensure that your communication details mentioned in the proposal/other forms are correct

### AFTER YOU **BUY THE POLICY**

Once the proposal form is accepted, please follow up with your insurance company to receive the policy document

If any additional documents are asked for, comply immediately

Go through all the policy conditions and be sure that these are the same that were explained to you by the intermediary/ insurance company at the time of sale. It is your right to request the policy document in any language (Sinhala, Tamil or English)

In case of doubts, contact the intermediary/ insurance company immediately for clarifications

### MAINTAINING THE **POLICY**

Pay your premium regularly on the due dates

Do not wait for a premium notice. It is only a courtesy. It is your duty to pay the premium to avoid lapsation or other penalties

Do not wait for your intermediary or anyone to pick your payment. Make your own arrangement for paying the premium on time

If there is a change of address, contact details, etc., please inform it to the insurance company immediately

As a smart consumer, you should be aware of your duties and rights when buying an insurance policy






ARE YOU UNHAPPY WITH YOUR  
**INSURER?**

**Talk to us....**

If your claim has been rejected or you are not satisfied with the claim amount offered or an inordinate time has been taken to pay the claim even once you have provided all information requested for or you are not satisfied with the manner in which your claim has been handled,

- Contact your insurer to resolve your dispute first. You can submit your grievance / appeal in writing to your insurer.
- Ensure you receive a written response with the decision of the insurer.
- If you have not received a written response within a reasonable time period or you are further dissatisfied with the response received, then you can submit a complaint to IRCSL.  
Visit - <https://ircsl.gov.lk/policyholder-complaints>



Dissatisfied with the response of your  
**INSURER?**

**+94112335167**

**info@ircsl.gov.lk**

**Complaint Submission Form in Website**

**YOUR INSURANCE NEEDS CHANGES AS YOU GROW!!!**  
**Protection Needs For Different Life Stages**



**NEWLY MARRIED COUPLES OR COUPLES WITH YOUNG CHILDREN**

You are likely to have added financial demands such as paying for a home mortgage or funding your children’s education

**REASONS TO ACT NOW**

**PLANS TO CONSIDER**

- Sudden income loss and reduction of family funds can happen in the event of a health crisis
- Mortality protection ensures that loved ones can continue to have a reasonable lifestyle even in your absence

- Education Policy
- Life Insurance
- Investment and retirement Plan
- Health Insurance
- Loan Protection Cover
- Property Insurance / Fire & Theft Cover



**PRE–RETIREEES OR RETIREEES**

Protect against medical costs and start planning for retirement early to mitigate financial burden on children and spouse

**REASONS TO ACT NOW**

**PLANS TO CONSIDER**

- Potentially more health issues
- Need to defray costs from age-related health issues and medical treatments

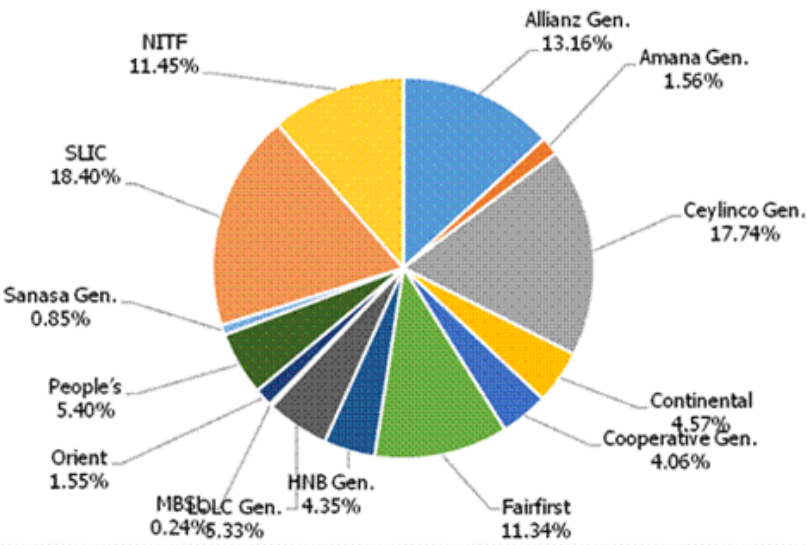
- Retirement Scheme & Annuities
- Health Insurance

# INSURANCE IN ACTION

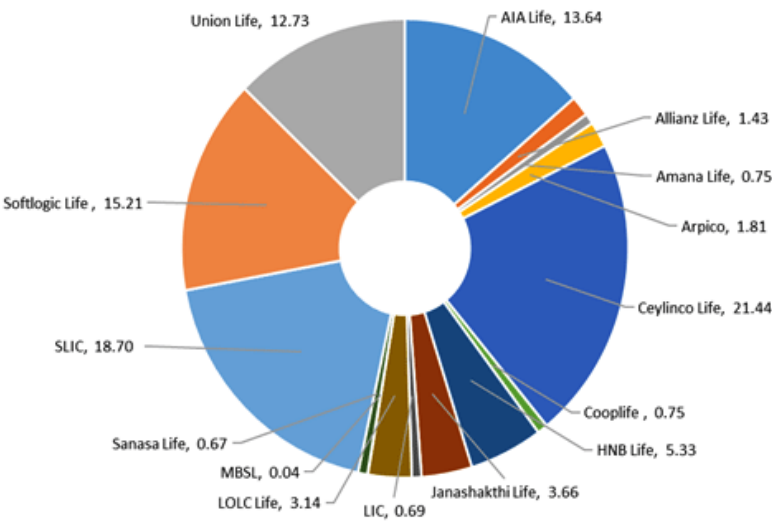


## STATISTICAL DATA OF INSURANCE INDUSTRY 2020

Company-wise Market Share of Gross Written Premium – General Insurance Business



Company-wise Market Share of Gross Written Premium – Long Term Insurance



Premium Income & Penetration

	2016	2017	2018	2019 (a)	2020 (b)
Premium income- Long Term Insurance Business (LKR. Millions)	63,477	71,571	80,294	88,787	102,974
Growth Rate in Premium Income- Long Term Insurance Business (%)	18.23	12.75	12.19	10.58	15.98
Premium income- General Insurance Business (LKR. Millions)	79,590	93,389	100,586	107,685	105,276
Growth Rate in Premium Income- General Insurance Business (%)	14.90	17.34	7.71	7.06	(2.24)
Total Premium Income- Insurance Business (LKR. millions)	143,067	164,960	180,880	196,472	208,250
Growth Rate in Total Premium Income- Insurance Business (%)	16.35	15.30	9.65	862	5.99
Penetration % (Total Premium of Insurance Business as a % of GDP)	1.19	1.24	1.27	1.31	1.39
No. of Life Policies in force as a % of the total population	14.19	14.31	14.76	15.52	15.97
Insurance Density - (Total Premium Income - Insurance Business/ population) LKR.	6,747	7,693	8,347	9,011	9,501

## IRCSL Regulatory Updates

### RECENT REGULATORY DEVELOPMENTS



DIRECTION NO/ CIRCULAR NO	DESCRIPTION
Direction No. 01 of 2021 – Dividend Declaration and Distribution	The Direction No. 01 of 2021 dated 10th March 2021 and subsequent amendment dated 30th August 2021, issued in terms of powers conferred by Section 96A of the Regulation of Insurance Industry (RII) Act, No. 43 of 2000. The IRCSL, via this Direction, stipulated certain terms and conditions to insurers when declaring and distributing dividends (including interim dividends) to shareholders <a href="https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-01-of-2021-00000002.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-01-of-2021-00000002.pdf</a>
Direction No. 01 of 2021 – Dividend Declaration and Distribution- Amendment	<a href="https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-1-of-2021-08.09.2021.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-1-of-2021-08.09.2021.pdf</a>
Direction No. 02 of 2021 – Restriction on providing codes and restriction on changing codes	The Direction No. 02 of 2021 dated 24th March 2021 is issued in terms of powers conferred by Section 96A of the Regulation of Insurance Industry (RII) Act, No. 43 of 2000. The IRCSL has decided to issue the Direction, stipulating that the insurers shall provide codes only to insurance brokers and agents, the insurance brokers shall provide codes only to their insurance agents and, that the insurers and insurance brokers shall not provide codes to Banks, Finance and Leasing Companies (BFLs) <a href="https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/09/Direction-2-of-2021.pdf</a>
Circular # 01 of 2021 - Clearance of Insurance Products prior to launch	The IRCSL, via Circular # 01 of 2021 dated 23rd March 2021 informed all insurance companies, that they could launch products/ policy forms as referred to Section 37(1) only after the IRCSL confirms, that products/ policy forms are in the opinion of the IRCSL fair and equitable. This requirement applies to both Long Term and General Insurance policy forms <a href="https://ircsl.gov.lk/wp-content/uploads/2021/09/Circular-1-of-2021.pdf">https://ircsl.gov.lk/wp-content/uploads/2021/09/Circular-1-of-2021.pdf</a>
Circular # 43 - Issuing Insurance Policies in three languages	The Circular # 43 dated on 02nd July 2020 requires insurance companies to have all insurance policies in three languages, i.e. Sinhala, Tamil & English, to ensure comprehension of policy terms and conditions by policyholders. The Circular is applicable to all new and renewed policies. <a href="https://ircsl.gov.lk/wp-content/uploads/2020/09/Issuing-Insurance-Policies-in-three-languages-Circular-43-1.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/09/Issuing-Insurance-Policies-in-three-languages-Circular-43-1.pdf</a>
Circular # 42 – Obtaining Loss Adjusting Services from Unlicensed Loss Adjustors	The Circular # 42 dated on 25th February 2020 requires insurance companies to refrain from obtaining loss adjusting services from unlicensed loss adjustors. In terms of the provisions of the RII Act, no person shall act or hold out as a loss adjustor to any insurer, unless such person is the holder of a Certificate of Registration as a Loss Adjustor, issued by the IRCSL <a href="https://ircsl.gov.lk/wp-content/uploads/2020/03/Circular-42.pdf">https://ircsl.gov.lk/wp-content/uploads/2020/03/Circular-42.pdf</a>



INSURANCE  
REGULATORY  
COMMISSION OF  
SRI LANKA

Market Development & External Relations Division  
Insurance Regulatory Commission of Sri Lanka  
Level 11, East Tower, World Trade Center,  
Colombo 01



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