



IN THIS ISSUE

Insurance Awareness Month	01
Policyholders' Corner	02

Insurance in Action	03
IRCSL Regulatory Updates	07

1. Insurance Awareness Month

The month of September has been named as the “Insurance Awareness Month” led by the National Insurance Day on 1st of September. The main objective of the initiative was to create greater awareness and disseminate the message on the importance of insurance to the masses.

2017 වර්ෂයේ සිට සැම වසරකම සැප්තැම්බර් මස පළමු වන දින ජාතික රක්ෂණ දිනය සමරනු ලබයි. රක්ෂණ සංකල්පය පිළිබඳ මහජනතාවගේ සාක්ෂරතාවය වර්ධනය කිරීම හා විශ්වාසය සවිබල ගැන්වීම උදෙසා රක්ෂණ කර්මාන්තයේ නියැලෙන්නන් විසින් දැනුවත් කිරීමේ වැඩසටහන් සැප්තැම්බර් මාසය පුරා ක්‍රියාත්මක කරනු ලබයි.

ජාතික රක්ෂණ දිනය මූලික කරගෙන, ශ්‍රී ලංකා රක්ෂණ නියාමන කොමිෂන් සභාව මහජනතාව වෙත දෙනු ලැබූ පණිවිඩය වූයේ, රක්ෂණ ඔප්පුවක් ලබා ගැනීමට පෙර අයිතිවාසිකම් හා යුතුකම් පිළිබඳ දැනුවත්භාවයෙන් රක්ෂණ ඔප්පුව ලබා ගතයුතු අතරම, ඒ සඳහා සැමවිටම නිවැරදි හා සත්‍ය තොරතුරු ලබාදීම සිදුකළ යුතුය යන්නයි. එමෙන්ම තමන්ගේ අවශ්‍යතා පිළිබඳ දැනුවත්ව, අවබෝධයකින් යුතුව රක්ෂණයක් මිලදී ගන්නා විට, වඩාත් සුදුසු රක්ෂණාවරණයක් මිලදී ගත හැකි බවයි.

එමෙන්ම රක්ෂණ සමාගම්, රක්ෂණ තැරැවිකාර සමාගම් සහ රක්ෂණ උපදේශකයන් වෙත ලබා දුන් පණිවිඩය වූයේ, රක්ෂණාචරණයක් අලෙවි කිරීමට පෙර මෙන්ම ඉන් පසුවත්, එම රක්ෂණාචරණයෙහි වැදගත් කරුණු පිළිබඳව පාරිභෝගිකයන් දැනුවත් කිරීම හා ඔවුන්ගේ විශ්වාසය රැකෙන පරිදි විනිවිධතාවයෙන් යුතුව කටයුතු කිරීම ඔවුන්ගේ වගකීමක් බවයි. එමෙන්ම, නිමිකම්පෑමකදී කඩිනම් හා උසස් සේවයක් ලබාදීම තුළින් මහජනතාවගේ විශ්වාසනීයත්වය ගොඩනැගීම, රක්ෂණ කර්මාන්තයේ පැවැත්ම උදෙසා මනා රුකුලක් වන බවයි.

2017ஆம் ஆண்டு தொடக்கம் ஒவ்வொரு ஆண்டும் செப்டெம்பர் 1ஆம் திகதி தேசிய காப்புறுதி தினம் கொண்டாடப்படுகின்றது. காப்புறுதி எண்ணக்கரு தொடர்பாக பொதுமக்களின் அறிவினை மேம்படுத்துதல் மற்றும் நம்பிக்கையை வலுப்படுத்தல் நோக்கங்களுக்காக காப்புறுதியாளர்களினால் அறிவூட்டல் நிகழ்ச்சித்திட்டங்கள் செப்டெம்பர் மாதம் முழுவதிலும் நடாத்தப்படுகின்றது.

தேசிய காப்புறுதி தினத்தை அடிப்படையாகக் கொண்டு, இலங்கை காப்புறுதி ஒழுங்குமுறைப்படுத்தல் ஆணைக்குழு பொது மக்களுக்கு வழங்கிய செய்தி என்னவென்றால், நீங்கள் காப்புறுதிப் பூட்கையைப் பெற்றுக்கொள்வதற்கு முன்னர், உங்கள் உரிமைகள் மற்றும் கடமைகள் பற்றிய அறிவுடன் காப்புறுதிப் பூட்கையைப் பெற்றுக்கொள்ள வேண்டும் என்பதுடன், அதற்காக எப்போதும் சரியானதும் மற்றும் உண்மையானதுமான தகவல்களை வழங்க வேண்டும், அதேபோல் உங்கள் காப்புறுதி தொடர்பாக முழுமையாக அறிந்துகொண்டும் மற்றும் புரிந்துகொண்டும் காப்புறுதியைப் பெற்றுக்கொள்ளும் போது உங்களினால் மிகவும் பொருத்தமான காப்புறுதிப்பூட்கையொன்றைப் பெற்றுக்கொள்ள முடியும் என்பதாகும்.

அதேபோல் காப்புறுதி நிறுவனங்கள், காப்புறுதி தரகர் நிறுவனங்கள் மற்றும் காப்புறுதி ஆலோசனையாளர்களுக்கு வழங்கும் செய்தி என்னவென்றால், காப்புறுதிப்பூட்டகையொன்றை விற்பனை செய்வதற்கு முன்னரும் அதன் பின்னரும், அந்தக் காப்புறுதிப்பூட்டகையின் முக்கிய விடயங்கள் தொடர்பாக நுகர்வோரை அறிவூட்டுதல் மற்றும் அவர்களின் நம்பிக்கையைப் பெற்றுக்கொள்ளும் வகையில் பன்முகத்தன்மையுடன் நடவடிக்கைகளை மேற்கொள்ளல் உங்கள் பொறுப்பாகும். அத்துடன், உரிமைக்கோரலின் போது உடனடியாக உயர் சேவையை வழங்குவதன் ஊடாக பொதுமக்களின் நம்பிக்கையைக் கட்டியேழுப்பல், காப்புறுதிக் கைத்தொழிந்துறையை கொண்டு நடாத்துவதற்கு பாரியளவில் துணைபுரியும் என்பதாகும்.

2. Policyholders' Corner

Insurance Tips



WHEN YOU DECIDE TO PURCHASE AN INSURANCE POLICY



Check if the insurance company that issues the insurance policy is registered with the IRCSL.

IF YOU REQUIRE THE SERVICE OF AN INSURANCE BROKERING COMPANY



Check if the insurance brokering company that you wish to deal with is registered with the IRCSL.

IF YOU REQUIRE THE SERVICE OF AN INSURANCE AGENT



Make sure the insurance agent is authorized by verifying his/her identity with your insurance company/insurance brokering company.

WHEN YOU PURCHASE AN INSURANCE POLICY



Be responsible to read and understand all documents related to your policy.

It is your right to request the policy document in any language (Sinhala/Tamil/English) you are comfortable with.

3. Insurance in Action

Insurance Industry Sri Lanka Claims Statistics 2021

Long Term Insurance Business

Main purpose of insurance, for an insured, is to receive fair, equitable and prompt settlement of a claim. A claim is a request made to the insurer by the claimant for payment under the terms of an insurance policy. The commitment of an insurer towards its policyholders is seen at the time of payment of the claim. It is the situation where an Insurer will be judged.

The detailed analysis of claims data captured from the insurance industry in Sri Lanka for the year 2021 is provided below, and it provides a deep understanding of the "Claims settlement Ratio" and the "Claims Incurred Ratio" of the long-term insurance business. These ratios aid in determining the insurer's commitment to settling insurance claims.

However, insurer has obligations towards all its policyholders, who have contributed to the common pool, from which the claims are paid. The claimant also has certain obligations to meet prior to any claim settlement. Claim procedures and basis of settlement may vary from one insurance company to another depending on the type of policy, nature of the claim and the cause of loss.

Claims Settlement Ratio (CSR)

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

$$\text{Claims settlement Ratio} = \frac{\text{Total Claims Paid}}{\text{Total Claims}} \times 100$$

Net Claims Incurred Ratio/ Net Claims Ratio

The net claims incurred ratio is the percentage of the net claims incurred by an insurer during a financial year against the net premiums earned. Further, the Net Claims Ratio expresses claims net of recoveries from reinsurers as a percentage of premiums net of premiums ceded to reinsurance.

$$\text{Net Claims Incurred Ratio} = \frac{\text{Net claims incurred}}{\text{Net premiums earned}} \times 100$$

Claims Settlement Ratio

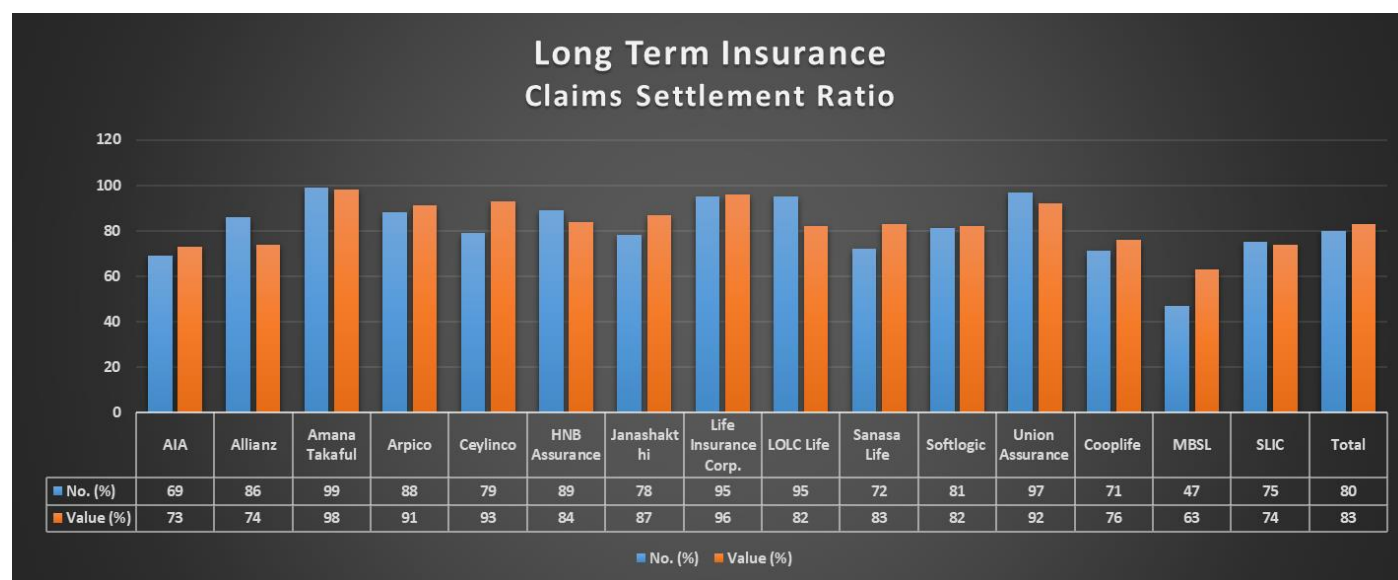
Table 01

Year	Total Claims		Total Claims settled/Paid during the year		Claims Settlement Ratio Long term Insurance Industry average	
	Number	Value Rs. 000'	Number	Value Rs. 000'	Number	Value
2021	668,993	55,356,997	538,228	46,083,569	80%	83%

The claims settlement by long-term insurance companies has reached Rs. 46 billion for the year 2021. In terms of number, total claims paid reported was 538,228.

The average claims settlement ratio (in value) of life insurance companies has been 83%, while the total claims settlement ratio (in number) was reported as 80%. Also, all companies have maintained a ratio above 60% in terms of value.

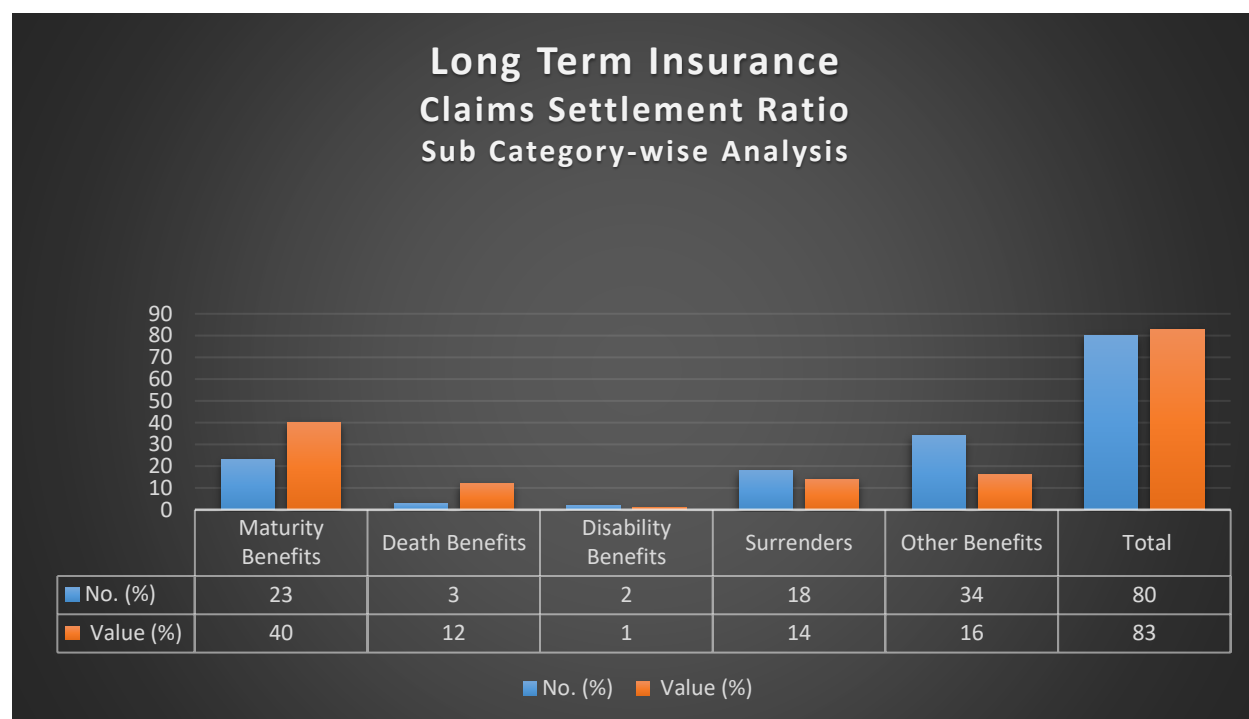
Chart No. 01



	AIA	Allianz	Amana Takaful	Arpico	Ceylinco	HNB Assurance	Janashakti	Life Insurance Corp.	LOLC Life	Sanasa Life	Softlogic	Union Assurance	Cooplife	MBSL	SLIC	Total
No. (%)	69	86	99	88	79	89	78	95	95	72	81	97	71	47	75	80
Value (%)	73	74	98	91	93	84	87	96	82	83	82	92	76	63	74	83

Chart No. 02 illustrates the composition of claims settlement ratio, which includes maturity benefits, death benefits, disability benefits, surrenders and other benefits paid to policyholders.

Chart No.02



The Claim Settlement Ratio for the other benefits category has been reported as 34% and 16% in terms of number and value respectively. Maturity benefits consists of 23% and 40% of the claim settlement ratio in terms of number and value respectively. The remaining three categories namely, death benefits, disability benefits and surrenders collectively accounted for 23% in terms of number and 27% in terms of value.

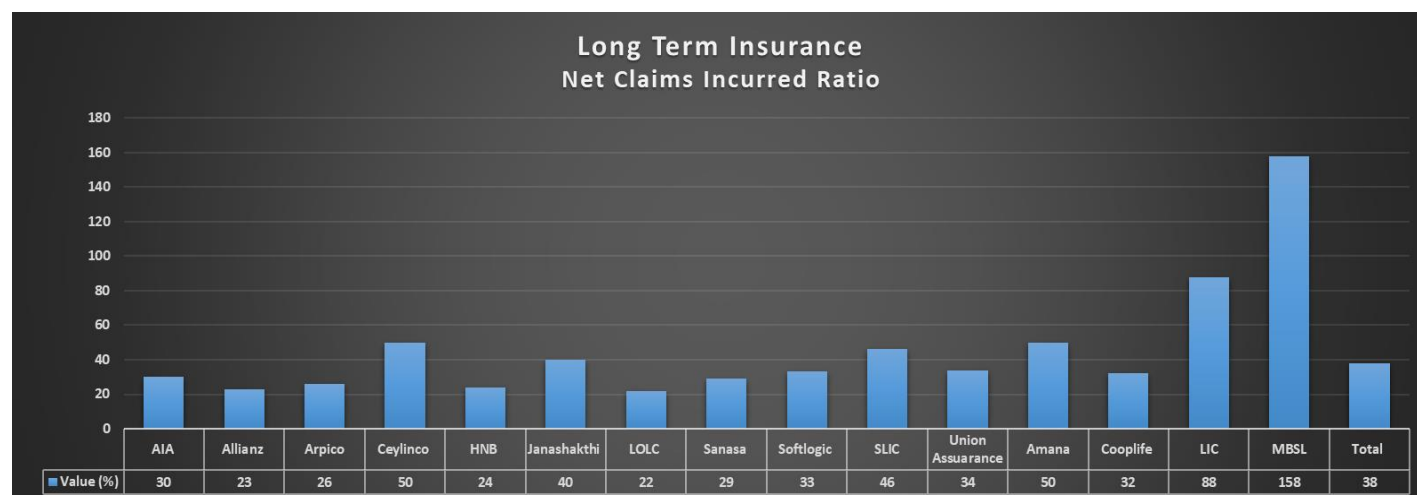
Net Claims Incurred Ratio

Table 02 & Charts No. 03 illustrates the composition of net claims incurred ratio of the life insurance industry.

Table 02

Year	Total Net Earned Premium (NEP)	Net claims incurred	Net Claimed incurred Ratio
	Value Rs. 000'	Value Rs. 000'	Industry average
2021	119,723,159	46,073, 852	38%

Chart No. 03



	AIA	Allianz	Arpico	Ceylinco	HNB	Janashakthi	LOLC	Sanasa	Softlogic	SLIC	Union Assurance	Amana	Cooplife	Life Insurance Corp.	MBSL	Total
Value (%)	30	23	26	50	24	40	22	29	33	46	34	50	32	88	158	38

The net claims incurred for the year 2021 has reached Rs.46 billion in terms of value, while the Net claims incurred ratio of the life insurance industry has been 38%.

Note – Tables and Charts depicted in this report are based on the statistics provided by the Insurance Companies.

4. IRCSL Regulatory Updates

Direction No. Guidelines.	Description
Direction 03 of 2022	<p>The Direction #03 dated 24th August 2022 has been issued to all insurance companies carrying on long term insurance business, on disclosing certain clauses such as the cooling off period, guaranteed and non-guaranteed benefits in its insurance products, quotations and in the policy schedules/covers.</p> <p>https://ircsl.gov.lk/wp-content/uploads/2022/08/Direction-03-24.08.2022.pdf</p>
Direction 02 of 2022	<p>The Direction #02 of 2022 dated 25th February 2022 is a revision of Direction No. 02 of 2022 issued on 03rd February 2022. The IRCSL issued the Direction pertaining to the Corporate Governance Framework for Insurers.</p> <p>In the Direction, Insurers are recommended to adhere to the Code of Best Practice on Corporate Governance 2017 issued by the Securities and Exchange Commission of Sri Lanka jointly with the Institute of Chartered Accountants of Sri Lanka. In addition, the insurers are directed to comply with certain criteria related to Corporate Governance, which are elaborated in the guideline.</p> <p>https://ircsl.gov.lk/wp-content/uploads/2022/05/Direction-02-of-2022-Revised-25th-February-2022.pdf</p>
Guideline on Advertisements issued to Insurers, Insurance Brokers and Insurance Agents	<p>The guideline was in effect from the 1st of July 2022 with the objective of safeguarding the interests of the policyholders and potential policyholders through regulating the advertising material published by insurers and intermediaries. Hence, insurers and intermediaries are expected to develop fair, honest and transparent practices with regard to their marketing material.</p> <p>https://ircsl.gov.lk/wp-content/uploads/2022/06/Guidelines-on-Advertisements-issued-by-Insurers-Insurance-Brokers-and-Insurance-Agents.pdf</p>