

Are you planning on buying an insurance policy?

By the Insurance Board of Sri Lanka

The Role of the IBSL

The Insurance Board of Sri Lanka (IBSL) is the regulatory body of the insurance industry. The objective of the IBSL is to safeguard the interests of the current and potential policyholders. The following information should help you when you are purchasing an insurance policy.

Where can you buy an insurance policy?

You should only buy an insurance policy from the following sales channels:

- Registered insurance companies
- Registered insurance brokers
- Appointed insurance agents
- Banking institutions having bancassurance arrangements with the insurance companies

Who should you pay your premium to?

You should only pay your premium to a party that is authorized to collect premiums. Such parties are:

- Registered insurance companies
- Registered broking companies
- Registered insurance agents of a registered insurance company or an insurance broking company

If you pay your premium to any other party you may find that your insurance policy is not valid.

When should you pay your premium?

For a general insurance policy, you should pay your premium within 60 days of the day the policy commences. If you fail to do this your policy will be cancelled and the insurance company will not be liable to pay a claim made by you. The IBSL has introduced this 60 day credit period rule from the 1st of December 2006 for the benefit of the insurance industry as a whole. This limit will be included in the documents that you receive from the insurance company.

Is it important that you understand the policy?

An insurance policy is a legal contract between you, the policyholder and the insurance company. Hence, it is important that you fully understand the policy terms and conditions before you buy an insurance policy. You can do so by,

- Speaking to a relevant person at an insurance company or insurance broking company or an insurance agent
- Requesting a policy document in a language you prefer - Sinhala, Tamil or English

How should you choose an insurance product?

There are countless options available to you. You are advised to speak to either a relevant person at an insurance company or insurance broking company or an insurance agent about

your insurance needs before purchasing a policy, as then you can purchase a policy most worthwhile to you.

What if you change your mind?

For a life insurance policy, most insurance companies give you 14 days from the day the policy commences to terminate the policy. If you choose this option, the company will refund you the premium subject to a charge for expenses incurred by the company.

What if you don't provide all the required details to the company?

If you don't provide full and correct information in the proposal forms, the insurance company can reject a claim made by you. To avoid such a situation, always provide the insurance company with full and correct information to the best of your knowledge. Insurance companies reject such claims as the premium charged from you was based on the incorrect data and hence, it is a policy issued for an incorrect purpose.

What if you want to make a complaint?

There are many options available to you if you are dissatisfied with the actions of your insurance company or you feel that you have been unfairly treated before taking legal action. You can contact the relevant parties given below:

1. First, submit a complaint to the Complaints Unit of the insurance company
2. If you are not satisfied with the outcome of the above step you can contact the Insurance Ombudsman
Address: Insurance Ombudsman, 143A, Vajira Road, Colombo 05
Telephone: 4528671-2
Fax: 4528670
Email: info@insuranceombudsman.lk
Website: www.insuranceombudsman.lk
3. If you have any further issues after consulting the Insurance Ombudsman, you can contact the IBSL
Address: Director General, Insurance Board of Sri Lanka, Level 11,
East Tower, World Trade Centre, Colombo 01
Telephone: 2396184-9
Fax: 2396190
Email: ibsl@eureka.lk
Website: www.ibsl.gov.lk

Please take the following steps to ensure that your complaints are handled effectively:

- Make your complaints in writing where possible providing copies of documents to back the complaint
- Clearly state the essential information about your situation such as the name of the insurance company, your policy number, your claim number and relevant dates
- Give your contact address and telephone numbers
- Retain a copy of your complaint letter and originals of all other documents sent by you