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EXTRAORDINARY

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PART I : SECTION (I) — GENERAL
Government Notifications

NATIONAL INSURANCE TRUST FUND ACT, No. 28 OF 2006

Order under paragraph (i) of Section 2

BY virtue of the powers vested in me by paragraph (i) of Section 2 of the National Insurance Trust Fund Act, No. 28 of 2006, read with paragraph (2) of Article 44 of the Constitution, I, Mahinda Rajapaksa, President of the Democratic Socialist Republic of Sri Lanka, do by this Order, identify the victims of strike, riot and civil commotion and terrorism activities to be a group of persons to whom the provisions of the aforesaid section shall apply.

MAHINDA RAJAPAKSA,
President.

Colombo,
18th March, 2008.
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L.D.B. 2/2007.

NATIONAL INSURANCE TRUST FUND ACT, No. 28 OF 2006

REGULATIONS made by the President under paragraph (c) of subsection 2 of Section 28 read with Article 44(2) of the Constitution.

MAHINDA RAJAPAKSA,
President.

Colombo,
18th March, 2008.

Regulation

1. These Regulations may be cited as the National Insurance Trust Fund (Insurance) Regulation No. 1 of 2008.
2. With a view to ensuring that all sums received as insurance premiums in respect of Strike, Riot and Civil commotion and Terrorism are utilized for meeting the just requirements of the insurance industry and for strengthening the National economy, all insurance covers issued by insurance companies in respect of the above mentioned matter, shall be obtained from the National Insurance Trust Fund and shall be designed so as to —
 - (a) afford protection against loss or damage to property or personal injury occurring due to strike, riot, civil commotion and terrorism as defined in the Insurance Policy and which occur within the geographical limits of the Democratic Socialist Republic of Sri Lanka including all types of General Insurance risks which provide for an extension of the geographical limits ;
 - (b) pay the claims where the insured has fulfilled the requirements of the policy to the satisfaction of the Insurer arising out of perils covered by the —
 - (i) standard Strike, Riot and Civil Commotion endorsement based on the instructions contained in the 1958 Fire Offices Committee (FOC) endorsement or any applicable endorsement as approved by the Board ;
 - (ii) by the standard endorsement relating to Terrorism or subversion as approved by the Board.
 - (c) invest the money prudently to obtain the maximum yield consistent with the security and the cash flow requirements of the Fund in any State Bank, Treasury Bills, Bonds or any other Government Security.
3. (1) All money credited to the Fund in terms of paragraph (c) of subsection (1) of Section 18 of the Act shall be transferred to a special account maintained by the National Insurance Trust Fund with any State Bank. The moneys obtained as premium from the issuance of policies for strike, riot, civil commotion and terrorism in terms of this regulation shall also be credited within forty five days of payment of premium giving details of the policy, type of cover, sum insured and the period of cover for each policy, to the account maintained in a State Bank.
- (2) All risks covered by the Fund specified in paragraph (a) of regulation 2 shall be reinsured at an economical level with a view to reducing the exposure of the Fund.
4. The money in the special account shall be utilized to make the following payments :-
 - (a) actual payments in respect of claims made by any insurer ;
 - (b) re-insurance premiums ;
 - (c) administrative and secretarial expenses payable in regard to the administration of the fund to the National Insurance Trust Fund as determined by the Board ;
 - (d) other management and administrative expenses, as determined by the Board ;
 - (e) legal expenses ; and
 - (f) capital expenditure ;
5. (1) The National Insurance Trust Fund shall from time to time issue guide lines in respect of administration and management of the monies in the special account specified in regulation (3).

(2) The National Insurance Trust Fund shall cause proper records and books of accounts to be maintained and periodical and annual statements of accounts to be furnished to the Board, Auditors and other relevant institutions in accordance with the provisions of this Act.

6. All insurers shall forward to the Fund the following statements separately in respect of each class/type of insurance covered by the Fund—

- (a) a detailed statement showing the total number of claim payments effected during each month ;
- (b) a separate statement showing the total number of claims outstanding and the amount outstanding thereon at the end of each month, and at the end of each year separately ;
- (c) in addition to the statement referred to in paragraph (b) of this regulation a further statement showing details of all individual losses outstanding where the amount outstanding exceeds Rs. 500,000 or as determined by the National Insurance Trust Fund on any one claim at the end of each year in a separate statement ; and
- (d) any other information as may be required by the Board from time to time.

7. For the purpose of this regulation unless the context otherwise requires :

“Act” means the National Insurance Trust Fund Act, No. 28 of 2006 ; and

“Board” means National Insurance Trust Fund Board established under Section 4 of the National Insurance Trust Fund Act, No. 28 of 2006.

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