



Motor Claim Procedure

Version 1.0

Orient Insurance Ltd

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1. Introduction

1.1. Purpose

This procedure outlines the step-by-step process followed by Orient Insurance Limited for handling claims arising under the Motor class of business.

The purpose of this document is to ensure a consistent and standardized approach to motor claims handling, maintain effective communication with customers, and serve as a comprehensive reference for staff, loss adjusters, brokers and policyholders throughout the claims process, from initial claim notification to final settlement.

1.2. Regulatory Framework

The Company's Motor Claims Procedure has been developed in accordance with the Regulation of Insurance Industry Act, No. 43 of 2000 (RII Act), which legally requires insurers to settle valid claims, subject to the necessary proof and verification. The procedure also incorporates the directions and circulars issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) from time to time.

1.3. Claim Intimation Channels

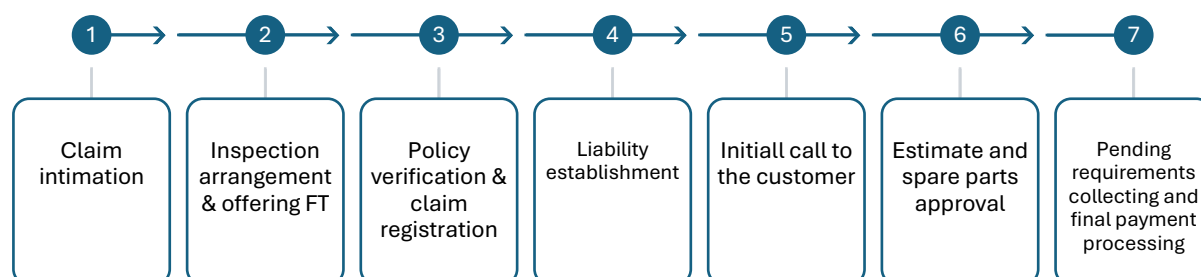
Claims may be intimated to the Company through any of the following channels, and the Company shall accept intimation through whichever channel is most convenient to the claimant:

- Company hotline / call centre
- Branch office or Customer Service Centre, in person
- Registered insurance broker or agent
- Company website / online claim intimation portal (where available)
- Email to the designated Motor Claims Department mailbox

At the point of intimation, the claimant shall be requested to provide, at minimum: policy number, date of loss (DOL), cause of loss, and photographs of the damage, where applicable.

2. Claims Process

The motor claims process comprises several principal stages, illustrated in the process flow below. Please note that the process may vary depending on the nature of the item, severity, and quantum of the claim; not all claims will require an inspection.



2.1. Claim Intimation

Notification of a motor vehicle accident is received through the Call Centre, where the initial details of the incident are recorded for further claims processing.

2.2. Inspection Arrangement and Offering Fast Track

Once the claim is intimated, the vehicle inspection is arranged as a virtual/self inspection, an online inspection guided by an engineer, or a physical inspection by an assessor visiting the accident location (refer to Vehicle Assessment). Where the damage is minor, a Fast Track settlement may be offered (refer to Claim Settlement Methods).

2.3. Policy Verification and Claim Registration

The policy is verified and the details provided in the claim intimation are recorded in the main system of PREMIA as well as the new system.

In accordance with the rule of IRCSL, an initial reserve amount will be allocated under each claim.

2.4. Liability Establishment

Liability of the claim is established after thorough scrutiny of all the claim reports, documents and the scope of the policy.

2.5. Initial Call to the Customer

The claim handler should call the client on the day following the loss and educate him/her on the entire process.

2.6. Estimate and Spare Parts Approval

Estimates are amended by an engineer, and repair approval is released to the insured, repairer and relevant parties to commence repairs.

This approval should be obtained by providing a quotation when parts are approved to be replaced in the initial approved estimate.

2.7. Pending Requirements Collection and Final Payment Processing

The outstanding documents and requirements are collected (refer to Claim Documentation/Requirements) and the final payment is processed in accordance with the approval given, less policy excess/advance payment (refer to Claim Settlement Methods).

3. Vehicle Assessment

3.1. Virtual/ Self Inspection

The vehicle inspection is conducted either by the client or by an area engineer through a video call.

3.2. Physical Inspection

The vehicle inspection is conducted by an assessor by visiting the accident location.

3.3. Online Inspection

The online engineer guides the client to carry out the self-online inspection.

4. Types of Inspections

4.1. Onsite Inspection

Inspection is done at the vehicle's location to verify the loss and determine the repair cost and other circumstances.

4.2. Online Inspection

Online engineer guides the client to do the self-vehicle inspection.

4.3. Garage Inspection

Inspection that is done at the garage to assess the loss, amend the repair estimate and determine the cost of repair.

4.4. DR Inspection

Inspection that is done after dismantling the damaged parts to identify internal and hidden damages and assess the loss of the same.

4.5. Supplementary Inspection

Inspection that is done when additional damages are found while the repair is carried out.

4.6. After Repair Inspection

Inspection that is done on completion of repairs to verify whether repairs have been done in accordance with the approval given.

4.7. Salvage Inspection

Inspection that is conducted to identify whether damaged parts (salvage) are accurate.

5. Fraud Detection/Investigation

During the scrutiny, all fraudulent/unsatisfactory claims are to be detected and dishonoured after obtaining the services of an investigator.

6. Claim Deductions

Amounts that are deducted from the approved claims as per policy terms such as deductibles, depreciation, excess or non-covered items.

6.1. Policy Excesses

6.1.1. Compulsory Excess

The fixed amount the policyholder must bear under every claim, as mandated by the insurer at the time of obtaining the policy.

6.1.2. Voluntary Excess

The additional amount the policyholder chooses to bear to reduce the premium, which is also deducted from the claim.

6.1.3. Under Insurance Penalty

A penalty (reduction) is applied when the insured value of the vehicle is less than 80% of its actual current market value. The formula below is applied in such cases to determine the percentage of the under-insurance penalty.

Formula: $\text{Under Insurance Percentage} = \text{Sum Insured} / \text{Current Market Value} \times 100$

Current market value is determined by the engineering team.

6.2. Owner's Contribution

The portion that the Insured bears on replacements. The table of owner's contributions is below.

Age of Vehicle (From the Date of Manufacture)	Contribution				
	Motorcycles	Three-Wheelers		All Other Vehicles	
		AP	MR	AP	MR
1 Year	Nil	Nil	Nil	Nil	Nil
2 Years	15%	Nil	Nil	Nil	Nil
3 Years	20%	15%	Nil	Nil	Nil
4 Years	25%	20%	Nil	15%	Nil
5 Years	30%	25%	Nil	20%	Nil
6 Years	35%	30%	Nil	25%	Nil
7 Years	40%	35%	Nil	30%	Nil
8 Years	45%	40%	Nil	35%	Nil
9 Years	50%	45%	Nil	40%	Nil

Age of Vehicle (From the Date of Manufacture)	Contribution				
	Motorcycles	Three-Wheelers		All Other Vehicles	
		AP	MR	AP	MR
10 Years	50%	50%	Nil	45%	Nil
11 Years	50%	50%	Nil	50%	15%
12 Years	50%	50%	Nil	50%	20%
13 Years	50%	50%	Nil	50%	25%
14 Years	50%	50%	Nil	50%	30%
15 Years	50%	50%	Nil	50%	35%
16 Years	50%	50%	Nil	50%	40%
17 Years	50%	50%	Nil	50%	45%
18 Years	50%	50%	Nil	50%	50%
Above 18 Years	50%	50%	Nil	50%	50%

For PREMIER policies, the owner's contribution is as follows:

Age of Vehicle (From the Date of Manufacture)	Contribution
1 Year	Nil
2 Years	Nil
3 Years	Nil
4 Years	Nil
5 Years	Nil
6 Years	Nil
7 Years	Nil
8 Years	Nil
9 Years	Nil
10 Years	Nil
11 Years	50%
12 Years	50%
13 Years	50%
14 Years	50%
15 Years	50%
16 Years	50%
17 Years	50%
18 Years	50%
Above 18 Years	50%

6.3. Bald Tyre Penalty

When the tyres are bald, a penalty is applied to the entire claim as per the table below.

Number of Tyres Wasted Bald	2 – Wheeler	3 – Wheeler	4 – Wheeler	6 – Wheeler
1	20%	10%	10%	5%
2	50%	30%	20%	10%

Number of Tyres Wasted Bald	2 – Wheeler	3 – Wheeler	4 – Wheeler	6 – Wheeler
3		50%	30%	20%
4			50%	30%
5				40%
6				50%

6.4. Penalty for Corrosion

A deduction is applied to the claim settlement when damages are caused by corrosion or rust, which is not covered under standard insurance policies.

6.5. Previous Accident Damages (PADs)

A contribution is applied, depending on previous damage as assessed by our Engineer, to fall in line with the indemnity.

7. Claim Settlement Methods

7.1. Fast Track

7.1.1. Onsite Fast Track

A streamlined claim process where minor damages are assessed and approved quickly at the vehicle's location to expedite repair and settlement. Repair estimate, claim form, after repair inspection, salvage, final bills and no objection letter are not required.

7.1.2. Garage Fast Track

A streamlined claim process where minor damages are assessed and approved based on the received estimate for the damages to expedite repair and settlement. Claim form, ARI, salvage, final bills and no objection letter are not required.

7.2. Normal Claim Basis

7.2.1. Advance Payment

A partial payment is released as an advance payment to commence repairs at the request of the Insured.

7.2.2. Final Payment

Payment that is prepared in accordance with the approval given, less policy excess/advance payment. After the final payment is settled, the file is closed and no further payments are made thereafter, unless there is a very specific reason.

7.2.3. Cash in Lieu Payment

Payment made in cash instead of providing repairs or replacement, typically when the vehicle is a total loss or the policyholder opts for cash settlement.

Methods of CIL Settlement

- Full settlement of the offered amount without obtaining after repair inspection photos
- Initially settling 75% of the offered amount and obtaining after repair inspection photos when settling the balance payment

7.3. Total Loss

Payment made when a vehicle is damaged beyond economical repair or declared as a total loss.

Steps to the Constructive Total Loss Settlement

- **Assessment** – Surveyor inspects the vehicle and confirms it is beyond repair or repair costs exceed its market value
- **Valuation** – Determine the current market value of the vehicle
- **Offer the value** – Offer is provided based on the market value taken through the valuation companies
- **Owner's consent and documents collection** – Obtain the owner's consent to proceed with the offer and collect the relevant documents
- **Tender process** – Open a tender for the sale of the wreck and choose the best offer
- **Settlement** – Upon compliance with all the requirements, payment is made either to the Insured or the lessor, depending on the financial involvement of the vehicle

Requirements

- Original certificate of registration
- Revenue license
- Tax receipt
- Keys
- Discharge receipt
- Indemnity
- Transfer forms
- Deletion letter from the finance company
- Owner's consent to release the vehicle to our nominated buyer
- A copy of the owner's NIC certified by an attorney

8. Claim Documentation/Requirements

- Claim form signed by the insured
- Driving license of the driver at the time of accident
- 1st statement made to the Police by the driver
- Repair estimate
- Spare parts quotation
- Final labour bills
- Spare parts purchase bills
- After repair inspection
- Salvage
- No objection letter

9. Release Letters

Where the final settlement amount is agreed but the payment is not immediately released, a formal letter issued to the repairer confirming the approved final settlement amount is called a release letter.

This letter shall be treated as similar to a claim settlement. Accordingly, all standard documentation and requirements applicable to a normal claim settlement must be obtained.

All payments related to issued Release Letters must be settled within one (1) week from the date of issuance.

A centralized database shall be maintained to record and monitor all Release Letters issued, including the date of issuance, approved settlement amount, and payment status. The database must be regularly updated to ensure timely processing and to prevent delays in settlement.

10. Third Party Claims

10.1. Third Party Property

10.1.1. Movable Property

Third Party Movable Property claims refer to claims arising from loss of or damage to movable property belonging to a third party as a result of an insured incident.

- Copy of certificate of registration of third-party vehicle
- Repair estimate
- Police statement
- Entire court proceedings
- A copy of the driving license of the driver of the third-party vehicle at the time of accident

- Copy of insurance card/certificate of third-party vehicle
- A “No Claim” letter from the insurer of the third-party vehicle addressed to Orient Insurance Ltd
- No objection letter from the insured to pay the claim for the third party
- Discharge receipt

10.1.2. Non-Movable Property

Non-Movable Property claims refer to claims arising from loss of or damage to immovable property belonging to a third party as a result of an insured incident.

- Repair estimate
- Police statement
- No objection letter from the insured to pay the claim for the third party
- A document to prove the ownership of the property
- Discharge receipt

10.2. Third Party Bodily Injury

Third Party Bodily Injury claims refer to claims arising from bodily injury, disability, or death sustained by a third party as a result of an insured incident.

- Police statement
- Entire court proceedings
- No objection letter from the insured to pay the claim for the third party
- Medical documents of the injured person
- Discharge receipt

10.3. Third Party Death

Third Party Death claims refer to claims arising from the death of a third party as a direct result of an insured incident.

- Police statement
- Entire court proceedings
- No objection letter from the insured to pay the claim for the third party
- Death certificate of the deceased
- Documents to prove the relationship with the deceased person
- Discharge receipt

11. Types of Claim Repudiations

- Not consistent
- Not an accidental damage
- Not liable
- Drunken driving (misrepresentation of material facts)
- Driver change (misrepresentation of material facts)
- Claim within deductible
- No valid driving license
- Repairs done without inspection
- Late intimation
- Usage issue

Rejection Process

If any claim is identified as eligible for repudiation based on the above reasons, the matter should be referred to the Assistant Vice President (AVP)/Vice President (VP) for confirmation prior to proceeding with the rejection.

Upon approval, a rejection letter should be issued to both the client and the intermediary via registered post and the rejected claims database should be updated accordingly.

Rejection Appeal Consideration Process

Appeals of rejection should be referred to the motor claims panel for decision (AVP-Motor Claims, VP-Motor Claims, SVP-Motor Operation, VP-OCD, SVP-Compliance).

12. Reasons for Requesting Police Statements

- | | |
|--------------------|-----------------------------|
| • Hit & run | • Suspicious damage |
| • Policy demands | • Suspected drunken driving |
| • Late intimation | • Suspected driver change |
| • Malicious damage | • Third party damages |
| • Unknown damage | • Driver/passenger injured |
| • Theft | |

13. Claims Authority Levels

1. Claims assistant
2. Junior executive
3. Executive
4. Assistant manager
5. Assistant vice president
6. Vice president
7. Senior vice president

14. Claims Review

Motor claims reviews are conducted at the end of each month to identify claims that are unlikely to proceed by policyholders and claims with no recent developments over a prolonged period, and to ensure adequate provisions are maintained for outstanding claims.

15. Third Party Litigation

Third Party Litigation Claims refer to claims arising from motor accidents where legal action has been initiated by a third party against the insured and/or the insurer for compensation relating to bodily injury, death, or property damage. These claims are handled through the legal process and require close coordination with panel lawyers, regular monitoring of court proceedings, timely submission of legal documents and maintenance of adequate claim reserves until final settlement or judgment.

16. Optional Compensation Scheme

The IRCSL proposed this scheme in view of the lengthy and tedious court process under the Motor Traffic Act for compensating third-party victims of motor accidents involving death and bodily injury. (Refer to the mandate issued by IRCSL for more information.)

Compensation limit – LKR 1,000,000/-

Documents to be submitted – Claim Form, Confirmation of doctor, Certification of Grama Niladhari and Divisional Secretary

17. Re-Insurance Involvement

Motor Excess of Loss (XOL)

Under the Motor Excess of Loss Reinsurance arrangement, the insurer retains claims up to LKR 5 million. In the event that a claim exceeds this retention limit, the reinsurer shall indemnify the

insurer for the amount exceeding LKR 5 million, subject to the terms, conditions, and limits of the applicable reinsurance treaty.

18. Tax Invoice Submission

Original tax invoices should be sent to the finance division immediately after the claim is approved in the system.

Importance of Submission of Original Tax Invoices and Verification of Invoice Details

We can claim the tax portion from IRD if the details mentioned below are properly verified in the original tax invoice. Therefore, the tax portion will no longer be considered a cost to us even though the amount has been paid to the customer.

- I. The words “Tax Invoice” should be mentioned
- II. The invoice should be addressed as below

Orient Insurance Ltd

JFI Tower 3, 10th Floor, No. 75, Piyadasa Sirisena Mawatha, Colombo 10

- III. The VAT number should be mentioned – 134047208-7000
- IV. VAT portion should be mentioned separately
- V. If not a system generated invoice, an authorized signature should be mentioned

Special Note: The VAT portion can be claimed within eight months from the invoice date.

19. Claims Provision Reservation

A motor claims provision means the money an insurance company maintains to pay motor insurance claims. According to IRC SL guidelines, each company should have LKR 40,000/- as the initial provision of the claim.

Steps to Update the Reserve

- I. At the time of offering fast track amount
- II. At the time of releasing estimate approval
- III. At the time of inspection DR and Supplementary items
- IV. At the time of paying advance payment
- V. At the time of paying final payment
- VI. At the time of receiving any claim for towing charges, third party property damage and personal accident benefit
- VII. At the time of receipt of summons for third party claims

20. Complaint Escalation and Dispute Resolution

Complaints may be submitted in Sinhala, Tamil, or English. Responses will be communicated in the same language in which the complaint is made.

We provide multiple convenient channels for policyholders to submit complaints regarding any dissatisfaction with our products or services. Our dedicated Policyholder Complaints Management Team can be contacted through any of the communication methods listed below:

Mode of Communication	Contact Number/ Address/ E-mail Address
Verbally	
VIII. Telephone	+94 11 2030 300/311
IX. Visiting	Orient Insurance Ltd, 10th Floor, JFI Tower 03, 75 Piyadasa Sirisena Mawatha, Colombo 10 In addition, you can lodge your complaint by reaching out to any of our branches.
Writing	
I. Email	tellus@orientinsurance.lk
II. Post	Orient Insurance Ltd, 10th Floor, JFI Tower 03, 75 Piyadasa Sirisena Mawatha, Colombo 10
III. Online	https://orientinsurance.lk/ https://orientinsurance.lk/customer-complaints/

If you need further information regarding the company's claims handling procedure, you may refer to the company's Complaints Handling Procedure using this link.
<https://orientinsurance.lk/customer-complaints/>