

**AN INVESTIGATION INTO OCCUPATIONAL
ACCIDENT COMPENSATION FOR CONSTRUCTION
INDUSTRY IN SRI LANKA: PERSPECTIVES OF
INSURERS AND ENFORCING AUTHORITIES**

Periyapperuma Achchige Chamari Buddhimali Allis

(179151A)

Degree of Master of Science in Construction Law and Dispute
Resolution

Department of Building Economics

University of Moratuwa

Sri Lanka

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DECLARATION

I declare that this is my own work and this thesis does not incorporate without acknowledgment any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief, it does not contain any material previously published or written by another person except where the acknowledgment is made in the text.

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18.06.2023

P. A. C. B. Allis

Date

The above candidate has carried out research for Master's Dissertation under my supervision.

.....

Prof. Nayanthara De Silva

Date

Dissertation Supervisor

An Investigation into Occupational Accident Compensation for Construction Industry in Sri Lanka: Perspectives of Insurers and Enforcing Authorities

ABSTRACT

The construction industry is identified as one of the most vulnerable industries to occupational accidents which always lead to compensation. On the other hand, current workmen's compensation legislation does not fulfil some of the primary requirements of the construction industry such as covering all wage scales and accounting for fluctuations in the economy. Hence, there is a need for a more suitable compensation mechanism for employees of the industry. Approaching the issue of compensation with these insights, the types of accidents in the construction industry which lead to compensation were investigated through a literature synthesis. Furthermore, the current compensation mechanisms of other jurisdictions in Asia like Singapore, Malaysia, Korea, Hong Kong, and India were also investigated to understand their nature and dynamics. Thereafter, the drawbacks of the current Sri Lankan compensation mechanism were investigated through semi-structured interviews with three authorised officers from the Department of Labour and five insurance executives. These interviews shed light on a number of drawbacks such as not considering the age of the employee who is the victim, higher range of wage limits, employer's financial capacity and duration of the employment of the victim. The discovery of these issues led the researcher to make such recommendations as making insurance mandatory by legislation, enforcing a funding arrangement to which both parties contribute and which is governed by a central funding board and making it a requirement for a buyer of a product to have a proper compensation mechanism for workers to be in place. In a nutshell, it can be emphasised that better workmen compensation does not only mean getting maximum benefits to the employee, but also being fair to all the parties while securing the right to live and the right to work of the workers.

Key Words: Construction, Insurance, Safety, Workmen's Compensation

DEDICATION

***To My Beloved Late Parents and the Lecturers Who Made
me the Person Who I am Today.....***

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LIST OF ABBREVIATIONS

COMWEL - Korea Workers' Compensation & Welfare Service

ESSA - Employee's Social Security Act

ILO – International Labour Organization

IOSH - The Institution of Occupational Safety and Health

SOCISO - Social Security Organization

LIST OF APPENDICES

Appendix 1 : Interview Guidelines

Appendix 2 : Interview Transcripts